# Daily Report

# Latin America

FBIS-LAT-89-192
Thursday
5 October 1989

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## Latin America

*FBIS-LAT-89-192* *5 October 1989*

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## Panamanian Opposition Leaders Invited to Summit

*PA0510001189 Panama City ACAN in Spanish 1851 GMT 4 Oct 89*

[Text] San Jose, 4 Oct (ACAN-EFE)—The Social Christian Unity Party (PUSC), Costa Rica's largest opposition party, has invited Guillermo Endara, whom it called Panama's "president-elect," to the Ibero-American summit to be held on 27-28 October in San Jose.

Simultaneously, PUSC Secretary General German Serrano asked the Foreign Ministry to treat Endara and his colleagues Ricardo Arias Calderon and Guillermo Ford as "special guests" at the summit's official events.

Meanwhile, PUSC presidential candidate Rafael Angel Calderon Fournier voiced "concern" over the recent violent incidents in Panama.

Troops loyal to General Manuel Antonio Noriega quelled with gunfire an attempt by middle echelon military officers to stage a coup against the regime's "strongman."

Thus far no official casualty figures have been released.

According to Calderon Fournier, "this happens when people realize that there is no electoral way" to elect their rulers.

He feels that the situation in Panama may grow worse and that the people of Panama may suffer further violence. He deplored the lack of "international action" to spare the Panamanian people from suffering.

## Barco To Meet Venezuela's Perez 5 Oct

*PA3009193989 Paris AFP in Spanish 1742 GMT 30 Sep 89*

[Text] Bogota, 30 Sep (AFP)—According to press reports in Bogota today, the presidents of Colombia and Venezuela, Virgilio Barco and Carlos Andres Perez, respectively, will meet somewhere on their common border on 5 October.

According to information obtained by the private Caracol Radio network in New York, where Barco spoke before the UN General Assembly on 29 September, the two presidents will meet at a still undetermined place.

The press report states Barco and Perez will reportedly discuss a conflict between the countries over still undelimited areas of the Gulf of Venezuela.

To establish a methodology to negotiate the border conflict, the two presidents created a conciliation commission headed by former Spanish Prime Minister Adolfo Suarez during a first meeting in March at the Francisco de Paula Santander international bridge.

Colombia is represented on the commission by former President Alfonso Lopez and Ecuadoran Foreign Minister Diego Cordovez, and Venezuela by Supreme Court of Justice President Rene de Sola and former Mexican President Luis Echeverria.

The commission members will reportedly accompany Barco and Perez during their second meeting.

Barco and Perez have successfully maintained excellent bilateral relations.

possibility to obtain what it is, and had been, planning for a long time. President Bush, who has officially admitted it, arrived early in a White House operations room and kept abreast the entire morning about the development of the events that were taking place in Panama.

When the situation and the confirmed failure of the attempt were revealed, he was forced to make a statement to the press. His words were mainly directed at denying U.S. participation in the coup attempt. There have been rumors that it was a U.S. operation, said Bush. Later, he asserted, or affirmed: I can tell you that it is not true. However, he ignored, he did not answer, or make reference to, the questions asked regarding the U.S. armed helicopters that, for a long time, overflew the headquarters where the coupists where located. Furthermore, several C-130 planes with paratroopers overflew that area. As a matter of fact, it is speculated that those U.S. troops, who had been in a state of alert for several days, were waiting for the coupists to become strong to come to their aid.

Bush, despite his disappointment, took advantage of the opportunity to reiterate that the war, which is not against the Panamanian people, would continue. So that no one would think this was a lie, he said his main concern at the moment was the safety U.S. citizens in Panama. We know there are 12,000 soldiers and a large number of civilians involved in intelligence and administrative tasks.

It is interesting to note that after Bush said that he knew little of the attempt, White House Spokesman Fitzwater said that the U.S. military in the Canal Zone had been put in a state of alert a few days ago—and I stress the phrase, a few days ago—after the government heard that a coup attempt could be underway.

It seems that Bush and Fitzwater did not get together prior to releasing their statements, and the spokesman ridiculed and contradicted the President. Furthermore, to emphasize Bush's alleged ignorance, Fitzwater also stated that the U.S. Justice Department had also been warned about this coup. The spokesman concluded his statement by acknowledging the feeling of disappointment by the U.S. Government over the failure of the coup.

Now, it seems pointless to recall that in May, President Bush said that he would encourage an armed uprising in Panama. Also recently, on 31 August, when he was on vacation in Maine, President Bush expressed frustration over the lack of success in the attempts to overthrow the Panamanian Government. On that occasion, Bush reiterated that he was not going to reduce the pressure, and that the economic and military sanctions would continue in effect. As a matter of fact, yesterday Bush asked, [changes thought] refused to increase sanctions against South Africa, giving the racist government of South Africa the possibility to govern.

The Panamanian situation, U.S. official statements, and other undeniable facts, lead to a clear reflection of how the United States views and carries out its foreign relations.

Panama, comrades, continues being a case, a situation of high probability, of high military risk. Now, I wonder, and I ask you, what the next step will be?

## Guyanese Prime Minister Ends Visit, Departs

*FL0410182689 Havana Tele-Rebelde Network in Spanish 1700 GMT 4 Oct 89*

[Text] Hamilton Green, prime minister of the Cooperative Republic of Guyana, has left for home today. He was bid farewell at the Jose Marti International Airport by Carlos Rafael Rodriguez, member of the Communist Party of Cuba Central Committee Politburo and vice president of the Councils of State and Ministers.

After a 2-week [as heard] visit in Cuba, fulfilling a friendly and work visit, the Guyanese prime minister returned to his fatherland. During his visit, in addition to being received by Commander in Chief Fidel Castro, president of the Councils of State and Ministers, he also spoke with officials and representatives of our country. During those meetings, they discussed important matters related to the political and economic development of the two countries. The possibilities for increased cooperation was also a subject on his agenda.

Prior to his departure, the Guyanese prime minister gave his opinions about this visit.

[Begin Green recording in English with simultaneous Spanish translation] First, I found the visit really useful, informative, and very invigorating. My discussions with your leadership were extremely useful, and I believe that there is greater understanding that will help us to advance the cause of peace and solidarity in the Caribbean and Latin America.

In Guyana, there will be an official meeting preceding the joint commission meeting scheduled to be held in Cuba next year. I believe that those meetings will certainly advance the efforts to make full use of the desire, which your great leaders expressed, for maximum cooperation. That is not only the wish of the Cuban leaders, but also of the Guyanese. Therefore, I feel optimistic. [end recording]

## PCC Politburo Member Risquet Interviewed

*AU0410140589 Sofia RABOTNICHESKO DELO in Bulgaria 3 Oct 89 p 2*

[Interview with Jorge Risquet Valdes, member of the Politburo and Secretariat of the Central Committee of the Communist Party of Cuba, by RABOTNICHESKO DELO representative Boyko Vutov: "We Are Sure of Our Path"—date and place not given]

are at stake and when arguments are thrust forward, as in this case, in an effort to mechanically transplant situations from other realities, without rhyme or reason.

Let's take things one at a time. The correspondent says I have gone over to the "party of the conservatives."

That is symptomatic. Mikhail Gorbachev just criticized this, at the conclusion of the Supreme Soviet session, as one of the most damaging currents of thought, exalted by some circles in the USSR.

I see no "warm water" in mentioning that paradox which characterizes a certain subversion of political values—already mentioned in GRANMA—where now "conservative" is the label attached to those who adhere to solutions based on renovated socialist formulas that do away with immobility, rule by decree, and privilege, but do not abandon the guiding role of the Party in society or the social ownership of the means of production; while those who try to dismantle the parties, introduce private property, and play by capitalist rules are called "progressive and liberal."

It is very interesting (and whom can it benefit?) that as a result of these topsy-turvy ideas, people who subscribe to this theory now think the Bolsheviks are the right and the Mensheviks the left.

What does this reader think conservatism is based on? According to him, what this column should do is make way for new ideas, ideas that are new not because they are recent, but because they are rediscovered.

That is, following his lead, I assume as an absolute and conservative truth the intent to explain why it is not a good idea to merely copy other people's experiments whose results no one knows for sure. Rather, we should think for ourselves, given the historic nature, idiosyncrasy, and revolutionary thought that are the backbone of the rectification process, in addition to experience. In this way, we understand that socialism has progressed considerably to date, with its own formulas, and what it needs now is refinement so that tendencies toward inflexibility, rigidity, and bureaucracy can be eliminated.

To be "progressive," then, would be to defend "new ideas," which look a lot like flirting with capitalism, whose rules the Cuban people have already become crudely familiar with. It would mean resorting to the philosophy of "every man for himself," at a social cost with calamitous repercussions, as has been demonstrated with the passage of time and the violent clashes that have occurred in some reforms in which it was necessary to back down.

I don't mean to be disrespectful, but it is inane to try to justify an opinion so out of touch with our reality, as asserted by this reader when he says that with such ideas socialism is the living creation of the masses and not the creation of a party or government elite.

Is that challenge good for our country? What living creation is not rooted here in the protagonism of the masses? To whom do we owe our survival, if not to the people who advance Cuban socialism under the difficult conditions of criminal aggression and the continued blockade by several American administrations?

Without trying to be a chauvinist, I say that if you look for the historic roots of a true revolution, carried out with indigenous ideas, you will find, to our pride, that no historic process in this century has been as closely linked to the masses as has the Cuban Revolution ever since it arrived in power. No revolution has had so much popular support or so much unity around it, precisely because of that philosophy of consulting with the masses on everything, having them participate in every fundamental decision, doing everything for the benefit of society and not for a handful of people.

The ideology of Fidel, of our political leadership, has never been elitist. Nothing has been done here to favor one caste, and all revolutionary discourse has been an ongoing call for exemplary behavior, for modesty, for dedication to work, for close ties between leaders and the people as part of the people, although some in the government have committed serious errors for which they have been and will be held responsible.

This is not a time for questioning, as the reader argues, because that would leave room for the comfortable and easy position of "sniper," a person who looks unfavorably on everything. Rather, it is time to engage in a "hands-on" debate about how to do things better, without any room for ideas that are frankly bankrupt. It is a shame that some people are unable to learn from others, and clamor for experiments with formulas that have already proven to be suicide for socialism.

What the CIA, the aggressions, and the criminal economic blockade have not been able to accomplish, these "rediscovered ideas" are coming close to accomplishing, as if handing it to them "on a silver platter." As soon as these ideas showed up here, people began turning their backs on the problems of the broad popular masses and began degenerating and corrupting with a vengeance.

If the Revolution were not the product of the people's best efforts, their heart and soul, could it have defeated those regressive notions with its own ideas in just 3 years, and begun to create what 10 years earlier had appeared to be a chimera?

With our feet planted on the ground and with the bitterness of having seen just how far the hucksters are willing to go, we are firmly convinced that the rectification effort will not be a matter of changing the labels on the medicine, but rather a major surgery. But we will never again flirt with those principles that lead to bankruptcy.

That is an absolute truth, not just because it is the word of a journalist, but because these are sacred values of the Revolution and constant virtues of its principles.

## Trinidad and Tobago

### Robinson Tries To Block Oil Strike

*FL0410221289 Bridgetown CANA in English 1957 GMT 4 Oct 89*

[Text] Port-of-Spain, Trinidad, Oct 4, CANA—A strike in the economically important oil industry of Trinidad and Tobago could stall the departure of a high-level government team to financial negotiations to support a structural adjustment programme, officials here say.

Prime Minister A.N.R. Robinson and a high-powered cabinet delegation are due to begin leaving Trinidad on Sunday for a series of meetings including a state visit to Nigeria, and negotiations with Japanese financiers over their part in a proposed World Bank structural adjustment loan to Trinidad and Tobago. They are also scheduled to attend the October 18 to 24 Commonwealth heads of government conference in Malaysia.

Robinson held talks with Attorney General Anthony Smart until late Tuesday night, reportedly looking at legal ways to block the strike in two oil companies that could be joined by a third stoppage Friday. Officials said part of the trip could be in jeopardy if the oil dispute was not settled by weekend.

The Oilfields Workers Trade Union (OWTU) has so far initiated strikes at the Trinidad and Tobago Petroleum Company (Trintopec), and the Trinidad Marine Company (Trinmar) and a strike is threatened at the country's biggest oil company, Trintoc, from Friday afternoon.

Government sources said the administration was considering invoking section 65 of the Industrial Relations Act (IRA) which allows the labour minister to refer a strike or lock out to the industrial court if the action is believed to threaten the national interest.

Trinidad and Tobago's oil industry contributed one-third of government revenue for the first half of this year.

The opposition Tapia grouping and the United National Congress (UNC), formed following a 1988 split in the ruling party, have blamed the strike on the Robinson administration.

Tapia leader, political economist Lloyd Best, said in a statement Tuesday that the "irresponsible propoganda" of the ruling National Alliance for Reconstruction (NAR) in claiming recently that the economy was turning around, had caused increased expectations in Trinidad and Tobago.

The UNC, formed of dismissed NAR ministers, aired similiar sentiments in a Tuesday statement.

"Several senior government ministers have been assuring the nation that the economy has bottomed out and the turnaround has begun," UNC interim leader and former NAR deputy leader, Basdeo Panday said.

"The oil companies have declared a respectable profit and the minister of labour himself, who, we presume, is aware of all the relevant facts, has said the union's demands are reasonable and that the oil companies can pay," the UNC statement continued.

Growing support for the OWTU has come from unions in the public service and the sugar industry unions were meeting Wednesday to discuss their position.

members of PRI [Institutional Revolutionary Party]. And they did their bit to push Juchitan back to the political stone age.

Gas masks were needed to enter city hall even before it was taken over once again on Friday the 11th. The filth and stench there are characteristics that COCEI and PRI have stamped on Juchitan politics: fanaticism, manipulation, shady deals, insults instead of ideas, crude electioneering.

Filthy dogs and people in corridors and on stairways. Mounds of garbage in corners. Foul odors everywhere. Corruption in the ramshackle offices. Such is Juchitan city hall, where PRI and COCEI have coexisted and alternated in power.

A disappointed Francisco Toledo, the erstwhile promoter and patron of COCEI, withdrew his support of the group. He even removed his art collection from the Juchitan House of Culture: some 300 paintings, including his own works and those of other great masters of world art.

Six years ago an angered, powerless Toledo wept over the repression that COCEI members were suffering. The army had dislodged them from city hall, which they had gained through a resounding electoral victory. They had been in power for almost 3 years. With Leopoldo Degyves as mayor, the seeds of democracy were sprouting. They had endured everything: kidnapings, murders, ambushes, fires, and the machine-gunning of public buildings and private homes, in addition to economic strangulation. They had governed so well that the people carried them to victory once again in the 1983 elections, with Daniel Lopez Nelio as their candidate.

To prevent COCEI from remaining in power the then governor of Oaxaca, Pedro Vazquez Colmenares, decreed a revocation of powers in Juchitan and engineered electoral fraud, whereupon the troops took city hall by force. Many COCEI members were exiled, persecuted, or killed. And powerlessness and rage once again brought tears to Toledo's eyes.

A promoter of Juchitan culture since 1964, Toledo was also sponsoring COCEI. He gave them paintings to auction, as well as cash, promoted and brought renown to the House of Culture, set up poultry farms so that COCEI members could form cooperatives, awarded scholarships, and for years maintained the House of Juchitan Students in Mexico City.

Toledo's definitive break with COCEI came perhaps a little over a year ago. Without consulting him, they nominated him for federal deputy. He became so upset that he headed overseas to avoid talking with COCEI. He had already removed his art collection, arguing that owing to political conflicts his paintings were not safe in Juchitan.

With slightly more than 100,000 inhabitants and located at the junction of the Pan-American Highway, Juchitan is a wealthy city, the largest commercial center in the isthmus. The agricultural output of Chiapas and part of Veracruz arrives here. Unlike other Oaxaca communities, however, which are decent and clean in spite of their extreme poverty, Juchitan seems to be a city of indolence.

Devoid of any architecture of worth, all of its streets are in disrepair and littered with garbage. There are practically no sewers, and septic tanks prevent the smell of fecal matter from spreading all over. The rates of alcoholism and infant mortality due to unhealthy conditions are among the highest in the country. This is Juchitan, which PRI and COCEI have destroyed in just 15 years.

Until Friday the 11th city hall was occupied by a City Council consisting of a mayor and six councilmen, three from PRI and three from COCEI. Recognition had been withdrawn from the previous municipal government.

The three COCEI members are: Alberto Reyna Figueroa, a physician by profession and the councilmen for public health; Oscar Cruz, the councilman for public works, and Mariano Santana, the city manager and councilman for internal affairs.

As councilman for public health, Alberto Reyna authorized the opening of 45 more saloons, on top of the many that already existed in Juchitan. He charged between 100,000 and 200,000 pesos for each permit, even though from the outset the city council had decided not to authorize any more such establishments. The municipal treasury never received a single peso of what Dr Reyna charged. The last saloon that he authorized belongs to Desiderio Degyves, the uncle of the former mayor and former federal deputy, Leopoldo Degyves, the founder of COCEI.

Councilman Reyna's office is also in charge of hygiene among prostitutes, of whom there are 60 in Juchitan who have registered as "permanent." Only 6 of the 60 paid the treasury 20,000 pesos for a "weekly checkup." All of the others were treated personally by Dr Reyna in his private office, where he collected his fees.

As for the councilman for internal affairs, Mariano Santana, he was in charge, among other things, of authorizing festivals on public thoroughfares and of formalizing property lines, land surveys, and legal deeds, for all of which he charged a fee. For 3 years nothing went into the treasury.

The other councilman, Oscar Cruz in public works, was in charge of the city's trucks. He used them to haul and sell building material. He charged 250,000 pesos per truckload of gravel, 75,000 for sand, and 50,000 to remove rubble. The PRI-COCEI relationship was perfect in this city office. Oscar Cruz shared his profits with PRI's Rene Arredondo, an architect. They also shared the proceeds from the fees that residents paid for an almost nonexistent street-cleaning service.

mud puddle caused by the showers that flooded the warehouses of Carrillo Gil Museum last year.

This accident was compounded by damage at the poultry cooperatives that Toledo had sponsored, that were never productive, and that wound up bankrupt.

And then there was the House of Juchitan Students, which became filled with street urchins who got married and had children there, thanks to Toledo's scholarships.

Six years ago, when COCEI was the hope of democracy and there was a crackdown on COCEI people, who were also jailed and murdered, Toledo made common cause with them at a press conference and protested against PRI. "Respect the will of the people of Juchitan," he demanded, before he fell silent with tears, this according to Armando Ponce. (PROCESO, 373)

"Toledo no longer replies. He repeats the question several times and grows somber. He stares at the coffee table, and once again there is a long, heavy silence, this time for good. His eyes are like two bags of water about to burst."

### Human Rights Groups Ask for Stop to U.S. Aid

*PA0410110589 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 Sep 89*

[Report by Carlos Ernesto Rugama]

[Text] The Latin American Federation of Associations of Relatives of Political Prisoners, FEDEFAM, today continued for the 3d consecutive day the regional meeting of human rights organizations. Representatives from Mexico, Costa Rica, the United States, Honduras, and El Salvador are attending the meeting, which began on 28 September.

A member of the (Comadres) group of El Salvador said that the immigration authorities barred the Guatemalan and Colombian delegations from entering our country. While commenting on the agreements reached at the regional meeting, the Comadres member said:

[Begin (Comadres) member recording] The conclusions reached during this event include commitments by the delegations of the United States and other countries represented here to carry out strong campaigns to pressure the U.S. Government and Congress into stopping assistance to the Salvadoran Government. Another positive agreement was that of pressuring the United Nations into condemning the Cristiani administration for violating human rights in our country. [end recording]

Regarding Salvadoran President Alfredo Cristiani's visit to Europe and to UN headquarters in New York, the (Comadres) spokeswoman said it was designed to improve the ruling party's image internationally.

[Begin (Comadres) member recording] We feel that these tours by Cristiani are part of the initiatives of the new Salvadoran Government. However, we feel that this search for international recognition... [changes thought] that its international recognition is limited. It does not have the international acceptance other governments have enjoyed. [end recording]

The statements were made at a hotel in this capital where the regional FEDEFAM meeting is being held.

### Disabled Guerrillas Taken to Mexican Embassy

*FL0310205689 Mexico City NOTIMEX in Spanish 1923 GMT 3 Oct 89*

[Text] San Salvador, 3 Oct (NOTIMEX)—The disabled Salvadoran guerrilla fighters, who had occupied the Metropolitan Cathedral for 2 months, were evacuated today by the International Red Cross and taken to the Mexican Embassy here.

At the end of August, eight former combatants of the Farabundo Marti National Liberation Front [FMLN], joined by 19 others, occupied the San Salvador Cathedral demanding that the government fulfill the Geneva Agreements.

According to information confirmed by NOTIMEX, 46 people, disabled in the internal war the country is waging, entered the Mexican diplomatic mission. The guerrilla fighters wounded in combat demanded that the Alfredo Cristiani government authorize them to leave the country so they can receive medical treatment in Cuba, Mexico, or another country but their demand was rejected by the president.

The FMLN refused to accept amnesty, arguing that the disabled guerrilla members are not political prisoners and insisted that the government comply with international treaties on the war disabled.

Radio Cadena Sonora reported this morning that members of the International Red Cross Committee evacuated the disabled people from the cathedral and later took them to the Mexican mission in El Salvador.

According to security forces guarding the embassy, the disabled people arrived in private minibuses at 1000 (local time).

### FMLN Explains Move

*PA0410065389 (Clandestine) Radio Venceremos in Spanish to El Salvador 0014 GMT 4 Oct 89*

[Communique issued by the General Commmand of the Farabundo Marti National Liberation Front (FMLN) in El Salvador on 3 October]

[Text] 1. This morning the war maimed, who were at the Metropolitan Cathedral, went to the Mexican Embassy in San Salvador.

2. The decision to move to the embassy was made because of the intransigence of the Alfredo Cristiani regime, which refused to respect their legitimate right to leave the country as provided by international agreements; because of the threats by the security corps to attack the cathedral, as they did other churches; and because of the threats made by the death squads.

3. The worthy and courageous decision by the war maimed to refuse to accept amnesty sets a good example, which makes the entire FMLN proud. It shows the quality and determination of our fighters, who never surrender.

4. The actions carried out by the war maimed show the brutality and dehumanization of Alfredo Cristiani and his government. The General Command of the FMLN greets and praises the actions of the war maimed, who have shown the determination of all FMLN fighters, who are struggling to achieve justice, democracy, and peace for El Salvador.

[signed] General Command of the FMLN.

3 October 1989, El Salvador

because Galeas is interested in the vacancies left by Oscar Escalante and Marco Tulio Cruz on the board of directors of the General Workers Federation, CGT.

### * Congress Passes Harsh Drug Control Law

*32480227a San Pedro Sula TIEMPO in Spanish 2 Sep 89 p 17*

[Text] Tegucigalpa—Yesterday the "Law on Improper Use and Illicit Trafficking of Drugs and Psychotropic Substances" was passed in the National Congress. It includes a new article imposing sentences a third longer than those already set in the case of civilian and military authorities implicated in the drug trade.

During yesterday's session the deputies approved seven articles of the antidrug trafficking bill that they had left in abeyance because of poor wording.

They also approved a new ruling submitted by the Nationalist deputy, Salvador Dario Cantarero.

This article states: "Public officials and employees, members of the Armed Forces, police institutions and corps or state security agencies, and persons belonging to the public branches of authority by election or appointment, who participate directly making use of their offices, or facilitate the execution of the criminal activities cited in this law, will have the pertinent sentence imposed on them, increased by a third, as well as definitive disqualification from the exercise of their office."

Article 27 of this proposal, which stipulated a penalty similar to that suggested by Cantarero for certain civilian and military officials, including deputies, was eliminated at the request of the Legislative Chamber president, Carlos Montoya, who claimed that it contained a dedication to the "fathers of the nation."

The Law on Improper Use and Illicit Trafficking of Drugs and Psychotropic Substances stipulates sentences of up to 20 years and fines ranging between 5,000 and 5 million lempiras for persons involved in the drug trade.

#### BCH Budget Approved

The Congress also approved the budget for the Central Bank of Honduras [BCH] for this year, amounting to 842.1 million lempiras.

The second debate on this bill was waived at the petition of the Nationalist deputy, Andres Torres Rodriguez.

### * Continued Ecological Devastation Noted

*32480227c San Pedro Sula TIEMPO in Spanish 31 Jul 89 p 24*

[Text] San Pedro Sula—The president of the Honduran Ecology Association, Rigoberto Romero Meza, announced that Honduras will enter the year 2000 without any pine forest reserves.

The head of the Honduran ecological movement also revealed that during the past 10 years the country has suffered losses estimated at over 360 million lempiras as a result of forest fires.

According to the inventories kept by that organization, the total area of Honduras is 112,088 square km, 25 percent of which has a potential for agricultural use, 66 percent is suitable as forest and nonagricultural land, and 9 percent represents urban land and land for undetermined uses.

Forestry activity is one of the main sectors of the economy, with lumber ranking among the five leading export products, as a result of the 3 million hectares of pine forests and 4.4 million of latifoliated [broad-leafed] woods.

Both types of woods comprise a total of 7.4 million hectares of forest land, 68 percent of which consists of productive woods, with the remainder deteriorated by industrial development, grazing, etc.

The estimates of the current cutting rates, that is, 830,000 cubic meters of sawed wood per year, firewood, and wood for other domestic uses, representing an average rate of 5.6 million cubic meters per year, indicate that the pine forests will be depleted within the next 16 years. Hence the lumber industry sector will be faced with a severe decline in its production, as the head of the environmental movement warned.

Romero Meza also charged that the latifoliated woods are being subjected to strong pressure; therefore, they are being reduced at the rate of 5 percent annually. About 80,000 hectares are cut and burned yearly. If this reduction rate continues, it is estimated that the last forests will disappear within the next 20 years.

Commenting on the damage being suffered by the Honduran economy as a result of the burning of forests, Rigoberto Romero Meza reported that during the past 10 years Honduras has had losses amounting to 360 million lempiras. According to the Honduran Forest Development Corporation, every year 2,500 fires affecting about 360 million hectares of woods are being combated.

Romero Meza claimed that in addition to all the foregoing one must count the damage stemming from the ecological imbalance, which is why there is an urgent need for Honduran society to join in the environmental movement to save the country.

## Nicaragua

### Coverage of USSR's Shevardnadze in Country

#### Ortega Comments on Visit

*PA0410213089 Managua Radio Sandino in Spanish 1936 GMT 4 Oct 89*

[Statement by President Daniel Ortega at the Presidential Palace in Managua; broadcast in progress—live]

the same. The international community must immediately support the economic effort that this democratic practice demands.

11. A conscientious and ample verification system for the commitments made by the five Central American presidents is essential for the creation of trust and stability in the region. The CIAV, ONUCA, electoral observers, and other mechanisms commit the five Central American governments to abide by the agreements, and represent the serious support of the countries outside the region.

12. The Nicaraguan Government hereby expresses its pleasure at the progressive development of the traditionally friendly relations between the USSR and Nicaragua expressed in the constructive political dialogue—at all levels—and by overall ties in the economic-financial, scientific-technical, and cultural areas.

13. On behalf of our people, the Nicaraguan Government expresses its appreciation for the firm and unconditional solidarity we have received—and continue to receive—from the USSR, and expresses its satisfaction for the levels of cooperation and friendship between our governments and parties.

14. The Nicaraguan Government has expressed its support for the Panamanian people's right for the fulfillment of the Torrijos-Carter treaties on the dates agreed on, nonintervention in Panama's domestic affairs, and for a peaceful and negotiated solution to the conflict.

15. The FSLN and the Nicaraguan Government understand the complexity and great challenge that perestroyka represents for the Soviet people, and the hope it represents for humanity. We wish the Soviet leadership, and its heroic people in solidarity the best, and reaffirm our full support for the policy of peace that the USSR promotes for the wellbeing of the peoples on this earth.

## Leaders at Press Conference

*PA0510021189 Managua Radio Sandino in Spanish 1948 GMT 4 Oct 89*

[News conference by President Daniel Ortega and Soviet Foreign Minister Eduard Shevardnadze at the Presidential Palace; Shevardnadze speaks in Russian with passage by passage translation into Spanish—live]

[Text] [Shevardnadze] Dear Comrade President, ladies and gentlemen, comrades: [words indistinct] to meet with media representatives here in the city of Managua on the occasion of the first visit by a Soviet foreign minister. For a long time I have wanted to visit this legendary nation. I am happy to have been able to do so in the year of the 10th anniversary of the Sandinist Revolution, and at the beginning of a new phase in Nicaraguan life—the carrying out of elections that are very important for the Nicaraguan people and for the future of the country.

The Soviet Union and Nicaragua are close friends. We have established a political dialogue of a beneficial and constructive nature that has demonstrated there are common viewpoints on most world problems. The regular exchange of notes between Mikhail Gorbachev and Daniel Ortega and the permanent contact that has existed between our foreign ministries and at other levels—I am referring to other ministries, official organizations, etc—have contributed to this situation.

Our social, scientific, and cultural organizations maintain close contact through inter-parliamentary means. We are developing exchange activities in the field of humanities. This creates new possibilities for learning about the history, religion, and cultures of our countries and people.

We are pleased by the fact that we have been able to help Nicaragua resolve several fundamental social problems at a difficult moment for this country, and to overcome the consequences of natural disasters. We also feel gratitude to the Nicaraguans because of their response to the pain felt by Soviet Armenia, which was devastated by an earthquake.

We have positive cooperative relations, and the condition of relations between the two countries is good.

In recent years, the Soviet Union has provided to Nicaragua civilian merchandise worth 1.4 billion rubles. More than 40 joint projects have been carried out. Some of these projects involve large enterprises as well as others of an economic nature.

The Soviet Union has also provided Nicaragua aid amounting to 300 million rubles at no interest.

Life poses new tasks to be tackled. Nicaragua is now pulling out of an imposed war. Nicaragua is now marching toward elections. We are certain that the long awaited peace will finally arrive in Nicaragua.

Our economic exchanges will be duly established. We have discussed this with the president. This exchange must be reoriented to aim it at economic development goals, basically.

As you know, the Soviet Union, in coordination with the Nicaraguan leadership, has temporarily suspended the shipment of arms to the Nicaraguan Government. The Nicaraguan Government has other kinds of problems now, other needs. This is why we have dedicated much of our conversations to the matter of how the Soviet Union can respond to a new kind of request from Nicaragua.

We have reached a full understanding on this matter. On my return to the Soviet Union from Nicaragua, I will inform the Soviet parliament about my opinion on this issue. The Soviet parliament will be the body that will make a definite decision on this. I am sure that we will continue cooperating with Nicaragua, that our cooperation will be at a higher and more efficient level.

Central American problems. We have witnessed the election campaign initiated in Nicaragua with the participation of all political forces and the presence of international observers. On 3 October, I met with the chiefs of the UN and OAS missions, who are observing the preparations for the elections. They said that the Nicaraguan Government has created all the necessary conditions to guarantee the success of their mission. I must point out that there are not many governments that would invite foreign observers to their countries, because elections are an internal issue. This shows the honesty and sincerity of the Nicaraguan Government, and its trust in the people's support.

Nicaragua has said it is hopeful that other Central American countries, which have made similar commitments, can abide by them. We support that position. The USSR hopes the results of the free and democratic elections in Nicaragua are respected by all governments, especially by the United States, so this may lead to the normalization of its relations with Nicaragua.

We have discussed the situation in Panama, and we made statements against foreign intervention in the internal affairs of this country, regardless of who intervenes.

We are satisfied with the results of the negotiations in Managua. We are hopeful that peace and tranquility will prevail at last in Central America. Despite the short visit, we have had the opportunity to speak to Nicaraguan people on the streets. They have impressed us with their optimism and their faith in a better future. They have expressed their decision to defend their right to hold elections and they have supported the steps taken by the government.

I would like to thank the president, the members of the FSLN National Directorate, and all colleagues and friends who have participated in the negotiations. We have been impressed with the hospitality and the friendship of the heroic Nicaraguan people. We wish them the best.

Thank you for your attention. I would like to express my gratitude to the media, the newspapers, and television stations of this country. Thank you very much.

[Announcer] We have just listened to Soviet Foreign Minister Eduard Shevardnadze.

[Soviet reporter, in Russian] [Question not translated into Spanish]

In response to the question asked by the Soviet television reporter regarding the future of our cooperation for the peaceful construction of the country, the comrade minister spoke specifically of the economic and technical-scientific cooperation between our countries. There are some interesting ideas about how we are going to offer this cooperation in the future. There are some interesting plans and ideas. We have reached an agreement with the president and other Nicaraguan leaders, and by the end of the first 3 months of 1990 we will discuss the strategic guidelines for our future. We are going to specifically discuss the future development of our cooperation.

We must be more consistent with our new and modern ways of cooperation. I am speaking specifically of the establishment of direct ties with the state as well as private enterprises in Nicaragua. We must develop cooperation between the enterprises of our two countries; this must be cooperation in the broadest sense of the word. We must think about the possibility of jointly approaching the markets of third countries. We must sit down and discuss this in a serious manner increasing the efficiency and guaranteeing the mutual benefits of this cooperation.

[Reporter] Mr Foreign Minister, Managua BARRICADA. First of all, I would like to ask you how the Soviet Government feels about the use that the Nicaraguan Government has given to the aid received in these past 10 years. Second, during your meeting with President Bush and Secretary of State Baker in Wyoming, did they say that they are going to respect the results of the Nicaraguan elections?

[Shevardnadze] It would be very difficult for me to comment on the use of the aid, the cooperation, given during the past 10 years. Perhaps Comrade President Ortega can give you a better picture. However, I do believe that this cooperation represented a very important element in the heroic struggle of the Nicaraguan people for freedom, and in defense of the revolutionary ideals.

Regarding our task for the future, we are going to try and improve the efficiency of our cooperation, so that our Nicaraguan friends, and the USSR, will benefit from this cooperation. The future possibilities look good.

Regarding the talks with the Americans in Wyoming, they told me there that they are going to respect the results of the elections, clean elections, as they say.

[Translator] To answer a question from a TASS correspondent on the foreign minister's statement on possible U.S. and Soviet guarantees for a regional agreement on the equilibrium of forces, the minister said that during his talks with the [Nicaraguan] president, the problem was discussed in the following terms: It is necessary to establish a negotiating mechanism to establish limits on what is definite sufficiency [suficiencia definitiva], and to insist on establishing the military capabilities and limits of the Central American countries.

This is a very complex process, but if there is an agreement on the limits of definite sufficiency in the Central America framework, the Soviet Union and the United States could be guarantors for compliance with such commitments.

[Shevardnadze] The permanent members of the UN Security Council could also act as guarantors for such an agreement.

become more intense and more interesting. The fact that this process is like that is also due to the Soviet Union's policy. Regarding dialogue between the Soviet Union and the United States regarding Central American problems, we think this dialogue is useful, although some of the stances contradict each other.

### Coordination Deputy Minister on Soviet Aid

*PA0410033589 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Oct 89*

[Text] Javier Bone, Nicaraguan deputy minister for external cooperation, today said the Soviet Union's assistance to Nicaragua reached nearly $3 billion in the past 10 years.

[Begin Bone recording] Of the total of short- and long-term foreign loans signed by Nicaragua, 10 percent were granted by the Soviet Union. In 1988, this assistance rose to 55 percent. [end recording]

Approximately 1,500 Nicaraguans have enrolled in Soviet universities. The Soviet Union's unconditional aid includes 40 development projects in Nicaragua.

[Begin Bone recording] One of the projects consists of 10 fuel storage tanks, the first stage of which has been completed. The tanks, which will be located at km 41 on the old highway to Leon, have a capacity of approximately 60,000 cubic meters of fuel. This fuel is to be blended with other fuels elsewhere. [end recording]

Since 1986, the country has been using up 760 metric tons of fuel yearly [as heard], all of which is part of the Soviet Union's aid during the past 10 years. The official said that no cooperation agreement will be signed during Soviet Foreign Minister Eduard Shevardnadze's visit. The fifth joint cooperation commission will meet in Nicaragua in a few months.

### Coverage of Reaction to Events in Panama

#### Vice President Voices Support

*PA0410141589 Managua Radio Sandino in Spanish 1211 GMT 4 Oct 89*

[Text] Nicaraguan Vice President Sergio Ramirez has announced that the Nicaraguan Government on 3 October sent a message supporting the Panamanian people and Government after an attempted military coup was foiled. The Sandinist leader said that the attempted coup was intended to destabilize the area, and Panama has the right to self-determination.

[Begin recording] [Ramirez] We are very pleased that this situation has been resolved, because the stability of all the Central American countries is very important to us so that we can carry out the peace process we are promoting. The Panamanian situation is apparently the result of U.S. intervention.

The Nicaraguan Government contacted General Noriega [changes thought] this morning contacted the acting president of Panama, [changes thought] we have been in touch with the Panamanian authorities, and we have been voicing our support for them. We support them because Panama cannot be the target of international manipulation, and it has a right to self-determination.

[Reporter] What is the international significance of this action by the U.S. Government?

[Ramirez] This action seeks to create instability in the Central American region. That is why I said that we have to look at the overall picture in this issue. We are interested in the overall peace and stability of Central America, and Panama is part of this region. [end recording]

#### Noriega: Coup 'Failed'

*PA0410163189 Panama City ACAN in Spanish 1510 GMT 4 Oct 89*

[Text] Managua, 4 Oct (ACAN-EFE)—Official sources reported today that Nicaraguan President Daniel Ortega talked with General Manuel Antonio Noriega, chief of the Panama Defense Forces [FDP], over the phone. Gen Noriega assured President Ortega that the "attempted coup completely failed."

Officers, who identified themselves as midlevel officers of the Panamanian Army, rebelled 3 October against Gen Noriega in an attempt to overthrow Panama's strong man.

President Ortega said that Gen Noriega confirmed to him that "the situation is under control." Ortega added that the attempted coup is "part of the interfering escalation promoted and carried out against the Panamanian people."

The Sandinist leader said that the U.S. "escalation" was "rejected by Panama's patriotic forces."

Panamanian Ambassador to Nicaragua David Pere stated that "once again a destabilizing attempt by the U.S. Government is defeated, and once again the unity of the FDP forces is reasserted."

Pere told the Nicaraguan progovernment newspaper EL NUEVO DIARIO that "the attempt to darken Panamanian President Francisco Rodriguez' speech before the 44th UN General Assembly failed."

#### Radio Impacto Relay Stopped

*PA0410173189 Managua Radio Corporacion in Spanish 1200 GMT 4 Oct 89*

[Text] Our station was rebroadcasting the reports being issued by Costa Rica's Radio Impacto on the events occurring in Panama on 3 October when officials from

At the same time, while last year we used 23 percent of the country's total production to cover the deficit in the state budget, 8 months later we are only using 7 percent. Therefore, it is very important to reflect on the government's effort to restrict spending and to collect revenues.

**Wage Situation Different**

[BARRICADA] What does this situation mean in terms of the current ratio between prices and wages?

[Martinez Cuenca] The main thing is to understand that no generalizations can be made with respect to wages. Income is very different depending on the sector, and there are types of wages in institutions and enterprises, such as the social salary, that are not taken into account when measuring the volumes of the nominal wage.

In the agro-export sector, in mining, and in part of the manufacturing industry, wages have been revised upwards, and in some firms in the mining sector, for example, wages cover 225 percent of the cost of the basket of 29 items, 125 percent of the cost of the basket of 53 goods.

The main problem with regard to wages lies with some companies, such as the lumber companies, and with the agencies of the Central Government, where wages cover only 70 percent of the basket of 29 products and 40 percent of the 53-item basket. In any case, we are talking only about nominal wages, without taking into account incentives and the social salary, for example through the food subsidy.

In general, we have seen a gradual recovery of wages' buying power, 3 months after the devaluation last June. The objective is to continue that trend, as permitted by efforts to curb inflation, and to return to the buying power wages had in June of last year. But we must be clear that the wage problem will be resolved only by boosting productivity and the country's overall production.

**Increase in Exports**

[BARRICADA] But if the battle against inflation produces a recession in productive activity, how can we expect production to increase?

[Martinez Cuenca] The objective of the program was to contain inflation, reconstruct the exportable base, and minimize the recessive effect. We have discussed the first objective, and the results are encouraging. As for the second one, exports will rise by approximately 27 percent compared to last year, and this is a very important fact, as it indicates that the recession has hit some sectors harder than others but that the country's foreign exchange earnings have been protected.

Coffee, sesame, sugar, molasses, meat, banana, gold and silver, fishing, and nontraditional exports in both the agriculture-livestock and industrial sectors will increase.

The brunt of the recession has been felt by the latter sector, industry. Nonetheless, when forced to export to accelerate the marketing of its products, it boosted its export values from $30 million to $40 million in the last year.

[BARRICADA] What would have happened if the anti-inflation adjustment program had not taken place?

[Martinez Cuenca] In December of last year we calculated that this adjustment program would result in a recession that would involve a decline in the GDP of 4 to 6 percent, and that we might have a drop of 4 percent this year. This is really the cost that the country must pay for carrying out this program without external resources.

In fact, in arriving at that percentage we have not taken into account the additional tensions that the electoral process may cause in the country's economy. The cost of the elections may reach $25 million.

**Extraordinary Achievement**

But the fact is that this is a small cost if we consider that if we had not gotten hyperinflation under control, the monetary and financial system would have collapsed, resulting in an incalculable decline in the GDP of as much as 20 percent.

Whereas last year cumulative inflation totaled 36,000 percent, this year the rate for the January-August period is 832.9 percent. These are the most significant results that have been seen in Latin America in the last 20 years, except for Bolivia, which carried out its program in a climate of social stability.

We should also point out that these adjustments have been made more flexible so that some sectors have felt less of an impact, and measures have been taken to favor small-scale industry and the transportation sector. In addition, fiscal policies have been aimed at stimulating the reconstruction of the social base in the coffee sector and other rural sectors.

**Confidence Decisive**

[BARRICADA] How has the population dealt with the impact of the program on their income?

[Martinez Cuenca] According to some surveys that have been conducted, the population has found a source of income in the tertiary sector, in arts and crafts activities and various services. In addition, the population has shown a surprising willingness to share resources, relying on food and various other means. It should also be noted that there is an important flow of foreign exchange in the form of family remittances, which have bolstered family incomes.

[BARRICADA] What has happened to the population's inflation expectations and the tendency to raise prices independently of devaluations?

[Martinez Cuenca] The fact that there are no devaluations, that interest rates remain high, and that the black market has been hit hard has boosted confidence in the measures. People support the program because they

The conflict over the list of candidates that UNO must present on 29 September, at the latest, is not of a political nature. Not the National Conservative Party [PNC], the Conservative Popular Alliance [APC], or the National Democratic Confidence Party [PDCN] are "strong" enough to hope for many legislative seats when election time comes.

The essence of the problem is the craving for U.S. money. There is every indication that the State Department has decided that financing [opposition] political parties should be proportionate to the real strength of each party, a decision that supposedly benefits the parties listed above, despite the fact that they have in no way demonstrated that they are really "strong." As Gustavo Tablada, leader of one of the "small" parties—the Socialist Party of Nicaragua [PSN]—once said "strength is only the result of a subjective appraisal" based on a shameful historic past.

In pressuring for a larger quota of deputies at the National Assembly and for appearing on top of the list of candidates, the PNC, the APC, and the PDCN are doing nothing but claiming a larger "slice" of the U.S. money that [UNO leaders] Alfredo Cesar and Antonio Lacayo will be controlling.

The resistance that the "small" parties are putting up to face the pressure being exerted by the "strong" ones has a similar explanation. The "small" parties are not simply concerned with the idea of being excluded from post-election political life, considering that it is practically impossible for the opposition to become a majority in the National Assembly. The opposition "leaders" have a more serious concern—the possibility of being apportioned the smallest amount of funds for having no "real grounds" for making demands.

The problem of the search for deputy seats is then a direct consequence of mixing business deals with politics. The moment a party goes into politics without valid principles and decides to function based on a foreign power, that party kills whatever national characteristic it could have had until then and becomes nothing but merchandise.

The problem of the Independent Liberal Party [PLI] is not very complicated, considering that the party's founder and leader, Dr Juan Manuel Gutierrez, has extensively explained to the people the party's origin, as well as its objective: A "Social Research and Study Center" (CEIS), which has received juicy financing from the (West German) Naumann Foundation which has been directly administered (or wasted, according to Dr Gutierrez) by Virgilio Godoy.

There is no report yet on how much has been provided by the foundation, but it has been estimated that it amounts to approximately $200,000, part of which has been invested on cars, houses, equipment, and furniture. No one knows who got the rest, but according to Dr Gutierrez, Godoy is the only suspect.

No one knows for sure what moved Juan Manuel Gutierrez to challenge Godoy after more than 10 years of a strong friendship, but there are rumors that Gutierrez or one of his closest aids had presidential aspirations that collapsed when the United States decided to launch Godoy as a candidate.

One of the most interesting bits of information obtained as a result of the PLI conflict is that Virgilio Godoy's candidacy was not proposed by the PLI National Directorate. Who proposed it?

It is evident that this conflict has its origin in the majority of the opposition parties' decision to be absolutely submissive to guidelines from abroad, especially from Washington. It must be recalled that for 10 years the United States has been promoting the creation of "front organizations" to get around Nicaraguan laws and finance the opposition parties.

It must be stated, with no intention to get the Naumann Foundation involved, that it is evident that CEIS was a completely unknown organization in Nicaragua and that had it not been for the problem we have discussed, the Nicaraguan people perhaps would have never known it existed.

The methods the United States uses to direct its parties in Nicaragua apparently are self-defeating. At this stage, it would be ridiculous to accuse the FSLN, as it has before, of "dividing the opposition." The United States must find it paradoxical that whenever there is a crisis, it urgently injects dollars to resolve it, only to find that each new injection also brings a new crisis.

### * Social Christian Leader Davila Returns

*32480219c Managua LA PRENSA in Spanish 29 Aug 89 p 3*

[Excerpts] After 7 years in exile in Costa Rica, Social Christian leader Jose Davila has returned to the country for good. He has come back to rejoin the internal political process in the ranks of the Social Christian Party (PSC).

Also returning were other leaders of the Christian democratic group headed by Davila, including Sergio O'Connor, who had been living in California; Francisco Oporta, having lived for 8 years in Venezuela; and Norman Lopez, who had also been in Costa Rica. Others will arrive in the country in the next few weeks.

LA PRENSA, interested in hearing Jose Davila's opinions, discussed current issues in Nicaraguan politics with him. According to Davila, these issues are receiving great attention internationally.

#### Joining the PSC

Jose Davila began by stating that he and his associates have joined the PSC because of their conviction that this party, as it proclaimed in its founding manifesto 32 years ago, represents an alternative for the Nicaraguan people

Calero does not want to admit a complete break. "Bermudez officially stated that the U.S. measure is wrong."

Colonel Enrique Bermudez, a rightist hardliner and former member of the National Guard of dictator Somoza, who was overthrown by the Sandinists, changed from the military to the political leadership of the Contras last year, and has now, after harsh conflicts, agreed with the rebel leaders on the establishment of a "political-military commission,". This, it seems, is far to the right of the course of the directorate in Miami, but has the blessings of the United States.

Calero, who is now working in an office of the privately sponsored "Nicaraguan American National Foundation," does not comment on the fact that there there is obviously no room for him. "I have always fought for the freedom of my country, I have been very active for more than 10 years. Sometimes I wonder whether it is not time now for others." The 57-year-old doctor of law left Nicaragua in December 1982, and since 1983 has been in the Contra Directorate in Miami where he mainly made sure that the Contras were appropriately supported in their fight by the United States.

In addition to military equipment, at the best of times up to $600,000 per month went to the account of the Directorate, which employed more than 200 people in various countries. In particular former CIA director Bill Casey, who died shortly after the Iran-Contra scandal had been revealed, was a reliable supporter of the Contras.

Was it a mistake to become completely dependent on the CIA? "The money did not come from the CIA, it was officially approved by Congress, and we took it. Perhaps it was a mistake. The more I think about it, the more I tend to believe this." But: "It was the armed resistance which ultimately brought the Sandinists to the negotiating table and has now brought about the start of the election process."

### U.S. Observer Carter "Is So Naive"

He also does not understand that it is intended to disarm the Contras and send them home before the elections, which are scheduled for 25 February. "Carter says everything is great, the elections will not be manipulated. He is so naive," he said, criticizing the former U.S. president and official U.S. observer.

For the time being, Calero himself will register in Guatemala for the forthcoming elections. He has not yet decided whether he will return to Nicaragua.

## Counterrevolutionaries Attack EPS Patrol

*PA0410160989 Managua Domestic Service in Spanish 1537 GMT 4 Oct 89*

[Text] Six persons were killed when a group of counterrevolutionaries attacked a Sandinist People's Army [EPS] patrol from the Pancansan Battalion, that is, a battalion of reservists. At a time when our government is maintaining a ceasefire in a unilateral and voluntary manner, the counterrevolutionaries have attacked a patrol of the Pancansan Battalion, a battalion of reservists, 10 km northeast of San Pedro de Lovago, on the road from Santo Tomas to La Libertad. As a result of the action, six persons were killed and six were critically injured.

The dead are: Lieutenant Noel Espinosa, reservist Jose Maria Guzman Moreno, reservist Ramon Lopez, Miguel Plata, Cruz Antonio Maldonado, Sixto Centeno Ruiz. The wounded are: Freddy Antonio Lopez, Antonio Grayman, Magdaleno Diaz, Francisco Rodriguez Sanchez, (Nelly Espinosa Gonzalez), and Jeronimo Jose, whose surname is unknown. The wounded have reportedly been taken to the Juigalpa Hospital.

# Panama

## Coverage of Noriega Actions After Insurrection

### General Comments on Coup

*PA0410185189 Panama City ACAN in Spanish 1730 GMT 4 Oct 89*

[Text] Panama City, 4 Oct (ACAN-EFE)—Panamanian General Manuel Antonio Noriega, who aborted a military coup against him on 3 October, greeted newsmen from the Panama Defense Force [FDP] Central Headquarters today, shouting: "The U.S. piranhas wanted to overthrow us."

On the stairway of the FDP command headquarters, Noriega, wearing a uniform and accompanied by members of the FDP General Staff, went out for a moment to greet the many newsmen and curious people who were there, including many relatives of the rebels.

Some 24 hours after aborting the coup attempt, which was led by members of the (midlevel command) of the FDP, neither the government nor the military has issued any official report on casualties or on the fate of the rebels.

The progovernment newspaper CRITICA, without disclosing its sources, stated in today's edition that the foiled coup had resulted in six deaths, and that "presumably the head of the rebel movement was killed," but he was not identified.

The communique published by the armed rebels was signed, among others, by Major Moises Giroldi, commander of the "Urraca Company," which is based in the FDP central headquarters.

An officer loyal to Noriega said last night that "there were several killed and wounded." He did not cite figures but noted that at least 60 people are under arrest. Relatives of militarymen of the rebel units stood in front of the FDP headquarters waiting to learn their fate. Activities were normal at noon today throughout the capital city where a "curfew" was implemented on 3 October.

According to Castrejon, who heads the Navy, the headquarters was in the rebels' hands for those 4 hours.

"Noriega tried to keep his captors calm to prevent bloodshed," Castrejon added, who referred to Noriega's accusations that the U.S. Army, which has 12,000 men stationed in Panama, had supported the rebels.

According to Castrejon, the surrender of the coupists, who presented themselves as "midlevel officers," occurred when troops loyal to Noriega told them they must release the general and the other officers "or else."

Castrejon added: "Because we are men of arms, they got the message."

At the door of the FDP headquarters, 30 hours after the rebels were subdued, Castrejon was accosted by numerous reporters to whom he declined to report the number of dead, injured, and arrested as the result of the attempted coup because "it is still under investigation."

He said simply: "It was bullets, not tomatoes, what they shot at us."

Castrejon also said Lieutenant Colonel Nivaldo Madrinan, National Department of Investigations [DENI] director, "was shot in the back" by the rebels but that he is already out of danger.

Asked by the reporters how Noriega recovered control, Castrejon said: "I think he has some divine power at this command. The coupists feared more for their lives than for that of their commander, who at all times exercised his authority over those who held him prisoner."

Castrejon said the outcome of the military incident shows "we are not weak, but strong because we defend our sovereignty."

"Everything is under control and normal. You can see for yourselves the festival climate." He referred to the groups of people in front of the FDP headquarters demonstrating for Noriega.

Noriega showed up this afternoon and told those present: "All is well."

In the morning, in another of his public appearances, Noriega said: "The U.S. piranhas tried to overthrow us."

### Recounts Face Off With Captors

*PA0510052389 Paris AFP in Spanish 0458 GMT 5 Oct 89*

[Text] Panama City, 4 Oct (AFP)—Panamanian "strongman" General Manuel Antonio Noriega asserted today that "he confronted with fire" and imposed rank on the militarymen who tried to overthrow him on 3 October during a foiled uprising at the Army's central headquarters.

In statements to Manolo Alcala of Spanish television (TVE), Noriega, 52, said: "I resisted the fire and later talked with them and asked them to surrender—or we would all die."

The commander in chief of the Panama Defense Forces [FDP], who during the interview was wearing a white shirt and a typical Panamanian hat called "montuno," denied he was captured by the rebels during the seizure of the headquarters, emphasizing that he resisted in his office at the fortress from 0800 to 1130.

Noriega added that when loyal troops from Battalion 2000, Macho de Monte, Tigres de Tinajita, and special forces completely surrounded the installations, "I went out to talk with the rebels, who had no title or rank."

"My rank prevailed," he said referring to the surrender of the rebels, who were supported during the uprising by Colonel Guillermo Wong, chief of military intelligence; Colonel Julio Ow Young; and Lieutenant Colonel Armando Palacios Gondola, all of whom are members of the FDP General Staff.

According to the official reports, the leaders, Major Moises Giroldi, chief of the elite Urraca Battalion; Captain Edgardo Sandoval, and eight other rebels were killed in the fighting.

"I gave them 10 to 15 minutes to surrender their weapons and told them: You either surrender your weapons or we all die," the chief of the FDP, whose elimination the United States and the Panamanian opposition have sought unsuccessfully for the past 2 years, stressed.

According to Noriega, U.S. Southern Command "advisers" were behind this uprising and "they already had the person picked out who would be given the command," Noriega said in reference to former Intelligence Chief Col Wong.

Noriega said that "Colonel MacDonals" [not further identified] of the Department of Defense was in telephone contact from the United States with the coupists.

The head of the FDP said that at all times he was "totally" willing to die. "I confronted them—they could have killed me—but I confronted them," Noriega said, after stressing that throughout the uprising "I never had a submachinegun or a pistol in my hands."

"My submachinegun and my pistol are my feelings against U.S. interference and intervention," Noriega stressed, adding that "only God can take a person's life, because we all have an alpha and an omega in our lives and God is the Supreme Being in our lives."

When asked whether he would have killed one of the coupists during the foiled attempt, Noriega said: "I would not have fired against anyone."

"I am a man of peace," Noriega stressed, "and I will fire only against my enemy, not against my brother."

Meanwhile, Government Minister Olmedo Miranda reported that there were "many wounded and some dead" during the rebellion, but did not give a precise figure.

Miranda asked newsmen for objectivity, and announced that the Attorney General's Office is conducting an investigation into the coup attempt.

### FDP Issues 'War Report', Lists Casualties

*PA0510020189 Panama City Televisora Nacional in Spanish 0010 GMT 5 Oct 89*

["War report" on 3 October coup attempt against Panama Defense Forces (FDP) Commander Gen Manuel Antonio Noriega, issued by Lt Col Carlos Arosemena King, G-5, of the FDP General Staff—read by announcer]

[Text] Wounded: 18 members of the loyalist forces, 3 coupists, and 5 civilians.

Dead: No loyalist forces, 10 coupists, and no civilians.

Arrested: 37 coupists—5 rebels still at large.

Wounded:

Loyalist forces: Lt Col Aquilino Sieiro, Weaponry Division, shrapnel wound in left hand; Lt Col Nivaldo Madrinan, chief of the National Department of Investigation, bullet wounds in left arm and shoulder; Maj Jose R. Rosas, G-3, bullet wound in left foot; Lt Pedro Ospino of the General Command, birdshot in lower right gluteus and hematoma in right elbow; 2d Lt Francisco Fontelli, Police, supra-maxillary wound, right hemithorax; 1st Sgt Jose de la Cruz B., Police, bullet wound; 1st Sgt Jorge Rodriguez, FDP Headquarters, wound in right hand; 1st Sgt Reinaldo Carreno, Police, wound in left foot; 2d Sgt Jose Cordero, FDP Headquarters, bullet wound in upper third of right and left legs; 2d Sgt Ambrosio Troya L., Macho de Monte Company, wound in upper third of right leg; 2d Sgt Adonay Samaniego, Macho de Monte Company, bullet wound in right hemithorax; 2d Sgt Javier Gomez, Police, bullet wound near ear and in left arm; 2d Sgt Martin Bulgin, DENI, bullet wound in abdomen; 2d Cpl Alberto Mena, Communications, bullet wound in abdominal region; 2d Cpl Alejandro Martinez, Macho de Monte Company, severed femoral artery, surgically repaired; 2d Cpl Jobaldina Marcelino, Communications, superficial bullet wound; Agent Elizabeth Palacios, P-4, scalp wound; Agent Luis Rodriguez, bodyguard, wound in right hand.

Coupists forces: 2d Sgt Luis A Dominguez, Squadron, bullet wound in right thigh; 2d Cpl Guillermo C Torres, Urraca Battalion, bullet wound in right foot; 2d Cpl Candelario Bethancourt, Urraca Battalion, bullet wound in humerus and right testicle.

Civilians: Recruit Lincoln Garrido, Macho de Monte Company, wound in left forearm; Luis Herrera, Communications, wound in lumbar region; Iris de Arby from the Patio Pinel area, abdominal wound; Migadlia Quigalan, fainted; Zulema de Chambonette, anxiety attack.

Dead:

Loyalist forces: none.

Coupist forces: Capt Leon Tejada; Capt Juan Arza; Capt Edgardo Sandoval, Doberman Unit; Lt Jorge Bonilla, Urraca Battalion; 2d Lt Francisco Concepcion, Urraca Battalion; 2d Lt Ismael Ortega, Urraca Battalion; 1st Sgt Deoclides Julio, Doberman Unit; 1st Sgt Feliciano Munoz, Urraca Battalion; Capt Eric A Murillo, Battalion 2000; Maj Moises Giroldi Vera, Urraca Battalion.

Civilians: none.

Coupists still at large: Capt 958 [Identification No] Javier Licona, exiled in Fort Clayton on the orders of the United States. Also exiled in Fort Clayton are: Sgt 1411 Jose Bettia, Cpl 1810 Tomas de Leon, Cpl 10587 Guillermo Navarro, and Agent 15689 Diomedes Torres.

Arrested: Col Guillermo J. Wong; Col Julio Ow Young G; Lt Col Armando Palacios G; Maj 9108 Jose A Pajaro J; Maj 9207 Agustin O Degracia; Capt 9013 Jose L Sanchez C; Capt 9047 Jesus M George B; Capt 9331 Nicasio Lorenzo T; Lt 729 Rafael Guerra G; Lt 8004 Eliecer Suarez Puga; Lt 8208 Nathaniel Samuel Lopez; Lt 8411 Cesar Chu Gomez; Lt 9046 Juan M Diaz Zuniga; Lt 9689 Alberto Ng Jaen; 2d Lt 71 Benjamin Martinez Ruiz; 2d Lt 123 Bartolome Serrano Caballero; 2d Lt 473 Simon Enriquez Olivardia; 2d Lt 589 Benigno Gonzalez; 2d Lt 3096 Marcelino E Enriquez M; 2d Lt 8068 Cesar A Cedeno C; 2d Lt 8101 Porfirio Rivera Arias; 2d Lt 8187 Calixto Tejada Cantule; 2d Lt 8268 Abraham Kenyon Pineda; 2d Lt 8339 Orlando E Vega Iturralde; 2d Lt 8407 Victor Zuniga Perez; 2d Lt 8542 Idelfonso Rojas Alvarado; 2d Lt 8563 Verardo Garcia; 2d Cpl 6611 Gabriel Gonzalez; 2d Cpl 11363 Maximo Renteria B; Agent 1446 Carlos Acosta Jimenez; Agent 2329 Sebastian Alvarado Perez; Agent 2780 Jesus H Cangas Velarde; Agent 12562 Kadir Rodriguez; Agent 15305 Manuel T Borbon Olivardia; Soldier 2261 Luis Carlos Lopez; Civilian Daniel Alonso Flores; 2d Cpl 11834 Julio Feliz Cueto Bernal.

[Signed] Lt Col Carlos Arosemena King, G-5, of the FDP General Staff

### Groups Issue Communiques Supporting Noriega

#### Commanders Support General

*PA0410181389*

[Editorial Report] Panama City CRITICA in Spanish on pages 1 and 10 on 4 October publishes several communiques issued by the commanders of five of the country's military zones in support of General Manuel Antonio Noriega, commander of the Panama Defense Forces, FDP.

The 3 October communique from the 3d Military Zone headquartered in Veraguas Province states that it only

True or not, the involvement of high-ranking Panama Defense Forces [FDP] officers in the attempted coup leads to a chain of questions concerning an incident that, in any case, was a surprise.

The coupists, who in the beginning said they were young middle command officers, also turned out to include members of the FDP General Staff, the group closest to Noriega. Among those officers was State Security Chief Colonel Guillermo Wong.

Ten soldiers were killed during the attempt, among them the alleged leader of the rebellion, Major Moises Giroldi, and it is believed that a group of lieutenant colonels, captains, and sergeants are now waiting in jail to be court martialed for "treason against the homeland."

The official media put special emphasis on the Panamanian opposition's "dead silence," stressing insistently that, until this moment, the opposition has refrained from condemning Tuesday's [3 October] incidents.

However, opposition leader Ricardo Arias Calderon announced, on a local radio station, that the attempted coup did not have popular support "because of the great confusion that surrounded the proclamation issued by the rebel officers."

The coupists said that they were only demanding the retirement of Noriega and other high-ranking officers, that they respected Francisco Rodriguez' provisional government, and invoked the 1968 nationalist revolution led by Omar Torrijos, the same that Noriega claims to defend.

Meanwhile, a spokesman for Guillermo Endara, former presidential candidate for the Civic Democratic Opposition Alliance (ADOC), said that the leader left where he was carrying out his hunger strike to move to "a safer area and continue his act of protest against this illegal government."

On the street, the people are more worried about their daily problems, made worse to a certain extent by the nightly curfew imposed since Tuesday, than about the results of the attempted coup.

At the end of the incident, FDP spokesman Major Edgardo Lopez said that the rebels, approximately 200, surrendered after 7 hours of unequal combat and "after the use of greater firepower by our troops."

However, in diplomatic circles it is commented that the coup attempt could not prosper with such a small number of men and scarce or no outside support.

Concerning this, the observers are asking who won and who lost with a coup attempt "that seemed to pop out of nothing and was carried out at the wrong time and place."

The government sector directed its accusations at Washington, calling it "basically responsible" for the uprising, and at the "internal allies" of the Americans, meaning the ADOC, the local opposition.

During a march of state workers staged on 4 October to support Panama's "strongman," the massive presence of the dignity battalions (pro-government civilians) and their shouting of deafening slogans against the opposition have rendered ineffective the vital activity of the regime's adversaries.

According to opposition spokesmen they have been silenced, and remain in the background because their common sense tells them to do so.

Yesterday, Noriega, smiling, with his fist up high and haranguing his sympathizers, was the image of the winner who is used to betting big, particularly on undisputed power.

## Paper Gives 'Evidence' of U.S. Support

*PA0410150589 Panama City CRITICA in Spanish 4 Oct 89 pp 1, 10*

[By Luis Carlos Perez]

[Text] The treacherous officers who yesterday tried to rise up in arms had full support from the U.S. Southern Command, and evidence of this is the way their troops blocked the roads leading to the Panama Defense Forces [FDP] Headquarters, the Pan-American Highway, and the Bridge of the Americas.

The community was also able to see how the U.S. Army kept T-33 bombers, Cobra helicopters, and Rangers flying over FDP headquarters, clearly supporting the movement.

More evidence that the military insubordination had the support of the U.S. Government leadership is the fact that a news conference had already been "prepared" in the United States with the participation of Senators Alfonse D'Amato and Jesse Helms, U.S. Secretary of State James Baker, and traitors Juan B. Sosa and Jose I. Blandon, who "joyfully" analyzed the events.

In this news conference, broadcast by CNN, Senator Alfonse D'Amato said that the action "had a great deal of preparation," although he later said it was not known in the United States.

In Washington, it was said that the initial enthusiasm among the U.S. Government leadership over the reports of military insubordination fizzled out after it was learned that the action had failed completely.

The Ministry of Government and Justice also notified the media that any reports on yesterday's events will only emanate from the national government, that there will be a national network that will be the only means through which information can be given.

City headquarters. They added that "some public offices celebrated what was happening."

Endara and Arias said: "We are looking at a radically divided regime, which is rejected by the overwhelming majority of the Panamanian people."

The opposition leaders considered as very significant the fact that the uprising was led by military men who are "responsible for the regime's security."

Endara and Arias added: "Our homeland is sinking into an abyss and all our institutions are going down into that abyss too, including the civilian and military. Meanwhile, our people's suffering increases daily."

The opposition leaders regretted that several Panamanians were "killed or wounded" and that "hundreds of them had been detained" as a result of the attempted coup.

Neither the FDP nor the government has issued an official report on the casualties that resulted from the uprising or on the fate of the rebellious troops.

However, the progovernment newspaper CRITICA asserted today that as a result of the failed revolt, six people were killed and that "it is presumed that the leader of the rebellious troops was killed in the counterattack." The paper does not identify who that person is and does not reveal the identity of its sources.

Arias told ACAN-EFE that Endara is continuing the hunger strike he began on 20 September in a bid for support for an economic boycott against the regime. The opposition is asking people to delay their payment of public services and not to buy state lottery tickets.

Yesterday Endara left the site of his hunger strike located in an opposition office in Panama City and was transferred to a place that has not yet been revealed.

### PRD Issues Statement About Failed Coup

*PA0410171389 Panama City CRITICA in Spanish 4 Oct 89 p 10*

["Statement" issued 3 october by the Panamanian Democratic Revolutionary Party National Executive Committee in Panama City]

[Text] Early this morning the PRD Political Directorate was alerted to the events that were taking place and began coordinating political actions. The PRD immediately stated its position on the attempted coup to the country and the international community.

Now that the military incident is over, it is necessary to clearly establish the following:

1. The participation of the U.S. Armed Forces and of the U.S. political groups inside and outside the country in the attempted coup has become clear. Individuals and groups that have violated basic principles of sovereignty and national dignity in their desire to reach an understanding with Mr Bush's regime now have new evidence regarding the U.S. Government 's true intentions.

2. The civilian opposition forces played a role in what happened in the barracks. All Panamanians have witnessed the opposition's recent efforts inside and outside the country to disrupt public order and provoke legal measures to justify their unending reports on the lack of freedom, absence of democracy, and disrespect for human rights in Panama. Their call for fiscal crimes, the disruption of constitutional order, and the diplomatic and economic isolation of Panama in Latin America and Europe were only the first steps in preparing a climate which justified the military uprising.

3. The PRD patriotically calls on all the country's social and political forces to close ranks and march in unity. Only in that way we will once and for all defeat the enemy, which operates inside and outside the country, and will we strengthen our revolutionary process.

Defeating the enemy, however, is not enough. We must strengthen our Torrijist, political process. This is the right time to accelerate the development of a government plan aimed at solving our people's urgent problems. This is the time to make definitive changes and to—by all means—prevent current and future ill-fated practices which tolerate inefficiency, uncertainty, and incompetence.

4. We cannot go on tolerating seditious, unconstitutional, and antinational activities in our media, schools, churches, hospitals, and government institutions. Only exemplary measures will halt the enemy's action, because its open commitment to U.S. plans is evident. Our serenity has again been interpreted as weakness. Our respect for national unity has been taken by the seditious groups as new opportunities for plotting.

The military uprising and the link between the seditious politicians and the U.S. Government clearly prove that only strategic unity among the Panama Defense Forces, Commander Manuel Antonio Noriega, and the PRD will save our people from falling into the hands of the traitors. Those traitors want to surrender our homeland to the United States.

The loyalty of the patriotic men has been tested. National unity defeated the enemy again.

[Signed] National Executive Committee

Panama, 3 October 1989.

### Opposition Members in Chorrera Arrested

*PA0410215889 Paris AFP in Spanish 2030 GMT 4 Oct 89*

[Text] Panama City, 4 Oct (AFP)—Christian Democratic Party [PDC] sources have charged that the Panamanian authorities today arrested 15 members of the opposition in Chorrera, located approximately 21 km west of Panama City.

## Argentina

### Foreign Minister on Antarctic Meeting in Paris

*PY0310120989 Buenos Aires TELAM in Spanish 0209 GMT 3 Oct 89*

[Text] Buenos Aires, 2 Oct (TELAM)—Argentina's Foreign Ministry has reported that the 9th Special Consultative Meeting, and the 15th Consultative Meeting of the Antarctic Treaty will be held in Paris 9-19 October.

During the first meeting, members will analyze the applications of Peru, Ecuador, the ROK, Finland, and the Netherlands to become consultative members, and therefore participate in the debates of the organization.

During the second meeting, members will discuss various matters regarding their activities in the Antarctica with special emphasis in the preservation and protection of the environment.

The meeting will also discuss the understanding and supersion of global climatic changes, the ozone layer, international scientific cooperation, the effects of tourism on the ecosystem, meteorology, telecommunications, and flight security and navigation.

The Argentine delegation will be headed by Antarctic Director Alberto Daverede, and will include embassy secretaries Cecilia Barrios Baron and Hilda Gabardini. Antarctic National Director General Jorge Leal and Argentina's Antarctic Institute Director Carlos Rinaldi will attend as advisers.

### President Menem To Attend Group of Eight Meeting

*PY0410035889 Buenos Aires TELAM in Spanish 2313 GMT 3 Oct 89*

[Text] Buenos Aires, 3 Oct (TELAM)—Today Foreign Minister Domingo Cavallo confirmed that President Carlos Menem will attend the meeting of the Group of Eight to be held on 11 and 12 October in Peru.

Cavallo, who participated in the presentation of the credentials of the new Ghanaian ambassador, said at the conclusion of the ceremony that the main issues to be discussed by the Group of Eight are linked to drug trafficking, foreign debt, and Latin American integration.

Asked if the inclusion of Panamanian representatives, who have been suspended from the Group of Eight, will be discussed, Cavallo said: "So far the decision made by the members of the group is to withdraw or not to send ambassadors to Panama until constitutional regulations and the Panamanian people's rights to choose their officials prevail."

In this regard he said: " We are going to insist on the full enforcement of democratic institutions in Panama, which is the best way for people to solve their problems." He added: "We will also try to insure that the U.S. Government fully enforces the Carter-Torrijos Treaty related to the return of the Panama Canal."

Asked about the possibility of resuming relations with Great Britain, Cavallo reiterated that "it would be interesting to normalize relations as soon as possible, but to do that there must be the will on both sides."

### To Visit Europe in Early 1990

*PY0410140489 Buenos Aires DYN in Spanish 1246 GMT 4 Oct 89*

[Excerpt] Buenos Aires, 4 Oct (DYN)—Secretary General of the Presidency Alberto Kohan today confirmed that the highest levels of government have started preparations for a European tour by President Carlos Menem. The tour will take place during the first months of 1990 and Kohan stated that Menem may visit Great Britain and the Soviet Union.

Kohan stated that a meeting between British Prime Minister Margaret Thatcher and Menem "cannot be ruled out," although he stated that "it will depend on the results of the negotiations that are being carried out by the Foreign Ministry" to reestablish bilateral relations.

The secretary general considers that "an appropriate date for the tour would be during the first months of 1990," and he added that Spain, France, Italy, and Germany would be the "targets."

In remarks to Radio Continental, the official reiterated that the tour "is on the books," adding that "a tour of this type must be based on internal conditions." [passage omitted]

### President Menem To Announce Military Pardon

*PY0410235089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2320 GMT 4 Oct 89*

[Text] Buenos Aires, 4 Oct (NA)—Presidential spokesman Humberto Toledo reported today that on 5 or 6 October President Carlos Menem will announce a pardon for those military officers facing trials for having been involved in human rights violations during the war against subversion and for those who were involved in the rebellions of Holy Week, Monte Caseros, and Villa Martelli.

Toledo informed journalists that after this presidential announcement is made, the proper legal instruments—reportedly one or more decrees—will be issued to implement the pacification that the president is promoting.

### Denies Pardon Imminent

*PY0510030089 Buenos Aires Domestic Service in Spanish 0200 GMT 5 Oct 89*

[Report from Government House by Marta Lopez]

[Text] President Carlos Menem tonight denied that he will announce a pardon for military officers either tomorrow or Friday, as was announced earlier today by Presidential spokesman Humberto Toledo.

Nationalist Democratic Action, the Conscience of the Fatherland, and the Revolutionary Vanguard. [passage omitted]

### Eradication Termed Economic Not Political Problem

*PY0510033489 La Paz EL DIARIO in Spanish 27 Sep 89 p 5*

[Text] Mauro Bertero, agriculture and campesino affairs minister, has said that "the problem of eradicating coca plantations by replacing them with alternative crops is an economic problem not a political or social problem as presumed before."

Bertero said that is why a democratization of credit by extending it to peasants is so important, and why the government created the Peasant Development Fund to encourage agricultural diversification and industrialization. Bertero favors paying more than the $2,000 that is presently paid to peasants for the eradication of 1 hectare of coca, because the problem is not political or social, but economic.

Asked about agricultural products that can yield as much profit as coca, the minister said the government is trying to find a solution to the problem of profit and coca replacement by seeking an international agreement to guarantee peasants a market and a price for their products.

## Brazil

### Sarney, Guyanese President Sign Agreements

*PY0510024489 Brasilia Domestic Service in Portuguese 2200 GMT 4 Oct 89*

[Text] On the last day of his visit to Brasilia, the President of Guyana signed agreements with President Sarney on matters of health, electric energy, transportation, agriculture, telecommunications, and natural resources.

In the Blue Hall of Planalto Palace, President Jose Sarney and President Desmond Hoyte today signed seven protocols of intent. The first one was for the loan of two turbogenerators to supply 10,500 megawatts daily to Georgetown, Guyana. In the area of health, Brazil is committed to cooperating in developing programs for the eradication of endemic tropical diseases, as well as in developing training programs. Our country will also participate in a program of agricultural and livestock development in the region of Rupununi, using technology that has been developed in the Brazilian scrubland region by EMBRAPA [Brazilian Agriculture and Livestock Research Enterprise]. Brazil will also participate in programs related to forest and mineral resources and telecommunications.

In the area of transportation, Brazil will cooperate with Guyana in the construction of a highway between Mabura Hill and Lethem, to complete the road between Georgetown and Roraima in Brazil.

President Desmond Hoyte will now go to Sao Paulo, where tomorrow he will visit Embraer [Brazilian Aeronautics Enterprise] in Sao Jose dos Campos, and the FIESP [Sao Paulo Industries Federation] headquarters.

### Court Denies Argentine Extradition Request

*PY0510020689 Brasilia Domestic Service in Portuguese 2200 GMT 4 Oct 89*

[Text] The Federal Supreme Court [STF] has approved the ruling by Judge Sepulveda Pertence against the extradition of an Argentine citizen, Fernando Falco. Judge Pertence argued that the Constitution does not allow extradition for political reasons.

The STF has unanimously turned down the request for the extradition of Fernando Falco, who is accused in his country of having participated in the attack on the La Tablada barracks of Buenos Aires in January this year. The extradition request was filed by the Argentine Government. The STF voted in favor of the ruling by Judge Sepulveda Pertence, alleging that the Brazilian Constitution does not allow extradition for politically motivated crimes.

In view of this STF decision, the defense lawyers for Fernando Falco will now submit a petition for his release to the STF.

### Navy Concludes War Games Off Santa Catarina

*PY0410134089 Brasilia Radio Nacional da Amazonia Network in Portuguese 0930 GMT 4 Oct 89*

[Text] The Brazilian Navy will conclude the (TEMPEREX II) war game maneuvers today. These maneuvers, involving four frigates, helicopters, and the "Amazonas" submarine, are being carried out off Santa Catarina.

The frigates and the submarine were open to the public yesterday and will be closed this afternoon marking the end of the training program.

The four frigates involved in the maneuvers were built in Great Britain and are fitted with automatic cannons and triple antiair missile launchers. The "Amazonas" submarine was built in the United States and participated in World War II.

### * Funding Paralyzes Infrastructure Projects

*33420082 Sao Paulo VEJA in Portuguese 2 Aug 89 pp 44-57*

[Text] With investment at zero, Brazil embarks upon a turnaround of its decline and seeks to escape its crisis.

In Brazil there is available to any curious person a tour of obscure and exotic attractions that speak more dramatically of today's Brazil than do postcards of Iguacu Falls. One could start at Minas Gerais, near Belo Horizonte, where it is possible to travel 59 km of phantasmagoric bridges and tunnels, the remains of the Steel Railroad

investment. The value of the great blocks of infrastructure in operation today in Brazil, including the roads asphalted since 1955, the electrical network constructed over the last 30 years, and the total Telebras [Brazilian Telecommunications, Inc.] and Embratel [Brazilian Telecommunications Company] communications systems could be broadly valued at $180 billion—and that does not include airports, ports, subways, bridges and other essential components. Simply to maintain that investment it is necessary to invest 5 percent of its value per year in maintenance—if not, it will all turn to dust. That, then, already accounts for $9 billion per year—triple that which the government is really spending this year, and 6 times more than what it intends to spend in 1990, according to the federal budget announced last week. It is laughable.

The situation becomes doubly serious when one looks a little farther ahead: to increase existing infrastructure with new works, at a modest rate again of 5 percent per year, another $9 billion is needed annually. Result: to not lose what they already have, and to make a little of what it does not have, Brazil already needs to spend $18 to $20 billion per year on its system of public works.

**Cars in the Garage**

The fact that the government is doing badly does not mean to say that everything is terrible for everyone. In one of those various layerings in which the country periodically arranges itself, there is today a great deal of good agriculture in Brazil. Brazilian business is also doing well. It was never as much liquid as deeppocketed. What it lacks is the willingness to invest when the near future is as uncertain as the mind of a schizophrenic. If paralyzed Brazil continues along the lamentable course it is now following, meanwhile, the dynamic and capitalized layers will be fatally dragged under.

Escapes from the nightmare of the government and those who share the same country with it are not easy, and much less free. "We have to reduce somewhat the role of the government, which wants to do everything and, in truth, is unable to do any more," says businessman Antonio Ermirio de Moraes, one of the owners of a major private Brazilian industrial group, Votorantim. It is undoubtedly necessary that the public power at least do something. Executive and Congress together need to find ways to change the state's current spending profile, allocating progressively greater portions of the federal budget—and on a local level, of the state and municipal budgets—to investments in the most critical social areas and in infrastructure projects. Other portions would have to come from those areas which are never touched: cuts in spending on personnel and the maintenance of public equipment, with subsidies and donations to failed state enterprises.

It is from outside the government funding sources, however, that one can find alternatives, and genuinely new resources. It is estimated that private savings in the country are today approximately $200 billion—some $70 billion of it in government bonds, financing the public debt, another $70 billion in the FGTS [Unemployment Compensation Fund] and in savings accounts, which are not financing practically any of what they should, and the remaining $60 billion divided, in more or less equal parts, among private deposits overseas, and highly liquid and speculative ventures such as gold, dollars or stocks. It is possible to imagine the creation of an economic environment in which part of those $200 billion would be attracted to voluntary applications in public works—since with clear, secure and eminently credible regulations, one can develop instruments that will permit a real return on invested capital.

The participation of private capital in the construction and operation of infrastructure has advanced significantly in the first world. In California, for example, some 38 percent of energy is currently produced and distributed by the private sector. In France and Italy, a large part of the most modern highways is constructed and maintained today by private firms, who recover their investment by charging tolls for a specific time period, at the end of which the road reverts back to the state. Even in Brazil, here and there, examples of this new type of solution—like the Vitoria bridge or the Serra Quebrada factory—are starting to emerge.

Other solutions that bypass the federal millstone include the decentralization of works in favor of states and municipalities. Or, alternatively, the dismantling of anachronistic regulations, some of them more than half a century old, which complicate the operations of hydroelectric dams, such as is occurring with the Xingo plant. Or again, the introduction of laws that regulate the concession of public services to private firms—this possibility, included in the current constitution, would need to be regulated to be able to begin to generate practical effects. "Today I want to build a hydroelectric dam. I do not request a subsidy, loans, nor favors from the state, but I am unable to obtain a simple license to begin the project," complains Antonio Ermirio. It is possible, finally, to sound out solutions outside of Brazil. Exercising a new strategy that covers all those paths and others, it is possible that in the middle of the darkest night one may see the light at the end of the tunnel.

**The Scenario of Darkness**

Indebted and lacking money, the electrical sector suspends its projects, and the consumer faces the risk of energy rationing after 1992.

As seen by its critics, Brazil in the decade of the 1970's seemed to accumulate more energy that it needed in grandiose projects like Itaipu, the largest hydroelectric dam in the world, or in a visionary agreement like that signed with Germany to install a dozen nuclear plants in the country. To the pride of those involved in the dream of Great Brazil, to the happiness of the large construction firms that grew with the projects and to the encouragement of those who would benefit from the utilization of that new infrastructure, both planned and in the works,

weight of the empty coffers. The plant has already consumed $4 billion, is almost 90 percent complete, but has not been able to return to the public, as it should, the investment made in it because it has not been finished—a scenario, unfortunately, common to dozens of other projects. Built in the current of the River Tocantins, in Para, Tucurui inaugurated its first stage in 1984—but from then on the difficulties have grown, and now it is considered certain that the stage christened Tucurui II, crucial for its aid to the northeast, will not be ready in 1993, as planned. The delay, if everything goes well—that is, if the money that has disappeared today returns—would be of at least 2 years.

In addition to its second plant, Tucurui has another problem—the construction of the passageways that would allow navigation in the Tocantins through the dam. These should have been completed more than 4 years ago, but they are still in progress. In Sao Paulo alone, a critical consumer of electricity for industry, there are 4 plants that have been virtually stopped: Porto Primavera, Taquaracu, Rosana and Tres Irmaos, the last with two-thirds of its works already complete and $1.2 billion invested, but unused by the consumer because of its lack of completion. There is not even money to pay for the land where the lake for those dams is to be formed. Cachoeira Dourada, in Goias, is another dramatic example: vital for the agricultural development of one of the most promising regions of the country, the Cerrado, the plant has not been able to fulfill its role because money has not been provided for the 20 percent of the work left to complete. The same situation exists at the Samuel dam, in Rondonia, where only 10 percent remains to complete the plant. Last week, the construction firm of Norberto Odebrecht advised Eletronorte that it will stop the little that still remains to be done if it does not receive 60 million new cruzados delayed for more than a year. "The situation is very serious," summarizes Joao Oswaldo Leiva, secretary of energy and health in the Orestes Quercia government.

**Loose Accelerator**

In this framework of retrenchment, spending has been suspended on the expansion of urban networks, the construction of large transmission lines, and the assembly of intermediary stations; and even a project with Planalto's blessing, the Xingo plant, the only hydroelectric plant initiated during the Jose Sarney government, is passing through a cooling-off period. Even situated in the northeast, a region that has been transformed into the preferred destination of governmental funds, the Xingo dam, on Sao Francisco River between Sergipe and Alagoas, has had its $2.4 billion budget revised four times and will not operate before 1994, despite the president's lobbying. "For lack of money, we have had to pull the rug out from under the accelerator several times," says a project official. Xingo is passing through an additional crisis and is highly illustrative of the collapse threatening vital public works. The CHESF [Sao Francisco Hydroelecric Company], responsible for the plant, has stockpiled equipment (it has facilities with air conditioning), worth $2 billion—but it cannot install them at Xingo, because of difficulties with a regulation from the archaic National Department of Waters and Electrical Energy [DNAEE], dating from the distant year of 1934. The DNAEE regulation prevents the value of such equipment from being added in when calculating future rates, because they had at one time been leased.

In truth, Brazilian infrastructure is today passing through—and not only in the energy sector—a black financial crisis, which will redouble in practical consequences in the future and has even contributed to a restructuring of the national psychology. It has been a long time since Brazilians have seen the Argentine government, led by General Jorge Rafael Videla, argue against the construction of Itaipu, claiming that that structure, if it were to burst by accident or aggression, would flood half of Argentine territory. During the same period, a nuclear plant became part of the Brazilian dream and a mirage was created of a country replete with nuclear plants and self-sufficient in the technology of enriched uranium. The Brazilian dream, today, has become much more modest, in the face of an empty treasury in Brasilia and a surprising inability to carry forward the perspectives created during the 1970's, a time in which roads were built everywhere, bridges did not stop in midstream, and surely the $2.5 billion budgeted for the North-South Railroad did not frighten anyone.

Perhaps the most cruel mirror of the general retrenchment, at least the most spectacular, is on the seashore in Angra dos Reis, in Rio de Janeiro, where the Angra I plant functions intermittently, having now shut down more than 20 times in 5 years of activity, and far from being able to operate 2 plants on which the country has spent a fortune, Angra II and Angra III. Both already should be running at full steam, their equipment purchased, and the $3.2 billion apiece price possibly increasing by $1 or 2 billion, by the need to repair damaged parts. Meanwhile, Angra II is now barely a shell—there are only walls, which stoneworkers have raised, while the internal part, the generators, are lacking. And Angra III is only a hole in the ground. Without money, the builders practically have to limit themselves to keeping watch over the work area. "Our argument to finish the work is that it still comes out cheaper than starting a new hydroelectric dam now with the same capacity," says Furnas President Joao Camilo Penna, who administers that headache.

Half the equipment purchased for Angra II rests on a dune at Itaorna beach, next to the plant, while the other half remains packed up 10,000 km distant—in Hamburg port, in Germany—since there is no reason to ship the material from one continent to another simply to remain in the same boxes, aging and unused. This still dormant materiel was planned to have been in use by 1983. Brazil pays $750,000 per day in interest alone on the debt contracted for the construction of Angra II—an amount sufficient to purchase a fleet of a little more than 70 Monza cars every day—and that quantity will continue

until September—when they hope the rain will stop and some funds will rain on the DNER instead, whose director, Antonio Alberto Canabrava, tries to achieve miracles to attend to the problems that land on his table.

The crisis index—where transport is stopped:

- The national Highway Department, the DNER, has spent $971 million on Brazilian roads over the past year—less than it spent 10 years ago, when the road network was smaller. One-third of federal roads are in a precarious state.
- Government investments in railroads are today 0.1 percent of Gross Domestic Product, the GDP, per year—one-third of what they were the previous decade. This is not even sufficient to maintain the already existing lines, and some of them have been deactivated.
- Never has Portobras [Brazilian Ports Enterprise] spent so little on the ports as in the last 2 years—0.07 percent of GDP. There are lines of ships waiting at the docks.
- The problems also touch other vital sectors. The principal airports are crowded, for example, and the construction of subways is moving slowly.

**'Alarming Decrepitude'**

The sad truth is that the projects do not appear simply because a way of raising money for them cannot be found in the current state of penury to which the Union has been reduced. "The Brazilian state is losing the capacity to manage even the most trivial routines of public life," says political scientist Helio Jaguaribe, a student of solutions for the crisis that is squeezing the country today on all sides. "In a short time from now, for example, this state will not be able to collect the garbage from the cities. It is an alarming decrepitude," Jaguaribe adds.

The state, as is known, has a problem with funds that is rooted in many years, across the opulent decade of the 1970's, in which the foreign debt column was fattened in the belief that it would be easily payable, and it prospered during the 1980's until reaching its most dramatic point in that exact moment of the government of President Jose Sarney. If, as Helio Jaguaribe notes, the government is losing even the capacity of administering trivial routines, that difficulty is evidently greater when it involves governing the expansion of services like the infrastructure of public transport—expensive things, but indispensable, like ports, roads, railroads, subways.

The Rio de Janeiro subway, in the same unfavorable situation, has had its schedule of works destroyed. The expansion of the system, for which 2 years of "strategic inaugurations" were scheduled, simply foundered: lacking little more than a year to overcome the time-frame established by the schedule, only 10 percent of the project has been completed. Since last September, the contractors have not received a penny. In Belo Horizonte, a surface metro, projected in 1979 to be 60 km long and replace 500 buses in the daily transport of 1 million passengers, has had only one-fifth of its route inaugurated and currently carries less than a tenth of the passengers that it should carry. The majority of the equipment of that metro in Minas Gerais, like machines and cars, has already been paid for, but it continues to be unutilized. The problems are the same on the planned mass transit system of Salvador. Of the 2,300 men anticipated to work on the project, today there are 350 in action. The work has already consumed, as of now, $195 million, of which $180 million are owed to the builder responsible for the work, Norberto Odebrecht—that is, the firm has paid almost everything until now. Result: the work cannot be finished.

In the highway sector, to have an exact idea of Brazilian poverty, Spain is spending this year alone $2 billion on its roads, while Brazil, with an area 17 times greater, is investing only $971 million—that is, less than half. On railroads, the comparison is even worse. Spain has set aside $16 billion for the expansion and improvement of its network, in anticipation that it will desperately need its lines when continental commerce multiplies, in 1992, with the formal inauguration of the European Common Market. In Brazil, where railroad rates, like all others administered by the government, suffer a shortfall of at least 50 percent—and there is not on the horizon, in anyone's view, an inflow of foreign capital, as Spain can expect—President Jose Sarney waged solitary battle last week to forge ahead with his personal project—the North-South railroad, that links Brasilia to Maranhao.

Consulted by the minister of Transport, Jose Reinaldo Tavares, General Leonidas Pires Goncalves, Minister of the Army, gave the green light for the Imperatriz-Estreito section of the railway, 110 km long, to be constructed by the engineering battalions of the army. With the introduction of those battalions into the field, the cost of the work will be reduced by 30 percent. In addition to that economy, Minister Leonidas is attending to a desire on the part of his chief, President Sarney, who would like to leave the government in March of next year, with the satisfaction of seeing the North-South railroad implanted, at least in the Maranhao area, where he was born.

**An Anthill**

In a country with social strata as marked as it is in Brazil, it is common to also have very diverse infrastructure to attend to the needs of the richest and the poorest, from schools with American benefactors to schools on a Pakistani level, to restaurants, stores and clubs that seem products of different countries, not to mention centuries. In general, the most refined of the world's inhabitants are not affected by the growing problems of the urban railroads, because they do not use them, nor do they resent the bad functioning of the public hospital network, because they do not use it either. But sooner or later, however, the poor condition of the overcrowded trains will overflow into the circle of those who have private cars or travel in airplanes.

Last week, lines of departing passengers at Cumbica Airport in Sao Paulo actually caused delays of 2 hours on international flights, from which pour passengers who

of agricultural products, primarily soy. Even with subsidies, it is a daring gesture—all alone, he is attempting to finance the construction of the railroad with $400 million of his own resources. One cannot live only on complaints and mutterings against the government, says Olacyr de Moraes.

As partner in this risky game, he has Brazilian United Mines, MBR, in Minas Gerais, which belongs to businessman Antonio Trajano de Azevedo Antunes, who has invested $136 million in an unfinished government project, the Steel Railroad, and now could funnel his iron ore production through it from the area of Belo Horizonte to the port of Sepetibe, Rio, with a freight discount. Planned in 1975 as a link between Belo Horizonte, Rio and Sao Paulo, a total of 834 km of which more than 90 km are tunnels and viaducts, the Steel Railroad has become so expensive as to be infeasible. After 12 years of construction, during which $2.3 billion have been burned, more than double what was planned, Antunes entered on the scene and completed the construction of only half of the original course, which is enough to transport his ore out of Minas Gerais. Much money was lost on the Steel Railroad: to make it cheaper the electrical equipment, in part already imported, was replaced by diesel engines, and there is a cemetery of abandoned tunnels and viaducts along a 59-km stretch that the businessman has not finished—and no one knows when it will be incorporated into the line. At least a part of what has been built can be used, an unusual occurrence in today's Brazil, which is showing itself incapable of even finalizing what is close to being completed.

**The State Drain**

The crisis even effects services that had been impeccable, like the post office and telecommunications, and throws shadows on the future of several state enterprises.

The rivers of money that had been invested all last decade in sectors vital to national development—such as petroleum, telecommunications and steel—have had the effect of presenting Brazil, at the beginning of the 1980's, as an economically modern country. For the businessman who wished to build his business here there was no lack of the products basic to the economic success of any project—like electrical energy, steel and fuel—provided by a group of gigantic parastatals. Today, that scenario is quite different, and in addition to the most serious problem, that of electrical energy, there are enormous challenges in the production and supply of fuels, while the steel mills seem to be walking steadfastly toward disaster.

According to the unanimous analysis of specialists, there is no more money to invest in these parastatals, since everything that enters the coffers of the government has two priority destinations: paying the foreign debt and covering the payroll of the bureaucracy. In addition, the government prevents the parastatals from charging realistic rates for their services so as not to aggravate inflation. It is doubtful that this tactic succeeds, but it is certain that it has pushed some of the largest Brazilian state-owned enterprises toward financial crisis. There is, finally, the accusation that more and more parastatals have been serving as an enormous source of jobs for relatives of politicians, which impedes their proper functioning.

**First Place**

For example, the Brazilian Post and Telegraph Corporation, the ECT, was pointed to by opinion polls in 1983 as the institution with the most credibility in the country, even more than the church. Today, the post office continues to provide good service, but problems are visible. Over the last 9 years, 2 percent of the general ECT budget has been invested in expanding its services—a laughable amount when compared to growth in the number of letters and packages that the ECT delivers, 11 percent per year. To address this demand, at least 19,000 offices should have been opened over the last few years, which did not occur simply because of lack of money. "The current structure will only last until the end of next year," warns Paulo Machado Belem Filho, a planning and development advisor for the organization.

In the view of the ECT official, the lack of investment will cause the postal services to return to the way they were in the 1960's, when a letter would take a month to travel between 2 cities. That same return to the past threatens the Brazilian telecommunications system, whose services 6 years ago had a reputation for quality equivalent to that in the developed countries. In 1984, only 6 of 100 telephone calls were not completed as a result of congested lines. Today, 29 in 100 connections become lost on congested lines. As occurs with the majority of government enterprises charged with providing essential services, the primary tripping stone for Telebras—the parastatal that controls the regional telephone enterprises—is the drying up of investments and the compression of rates. A telephone call in Brazil today costs 15 times less than one charged in development countries, such as Australia or Denmark, but it is also cheaper that those in poor nations, such as India or Pakistan.

The road to collapse—what makes enterprises shut down:

- Lack of investment by the government and poor rate-setting policy prevent states from expanding their services and modernizing their equipment.
- With prices collapsed, Petrobras [Brazilian Petroleum Corporation] has monthly losses of $100 million and has announced the cancelling of all investment for the second half of this year. The self-sufficiency plan for the country in the oil sector by 1997 has been cancelled.
- The same problem threatens telephone and postal services. Telebras needs $8 billion to install new lines. The postal service could enter into collapse in 1990 if the ECT does not build new offices.

### PCCh Leader Sanfuentes Banned From Leaving

*PY0310192989 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Oct 89*

[By Reinaldo Barrios from the Investigative Police headquarters]

[Excerpt] As he boarded KLM Flight 792 bound for the Netherlands, Communist Party of Chile leader Jose Sanfuentes Palma was stopped from leaving by Investigative Police personnel.

The police have officially reported that Sanfuentes was stopped from going abroad, in keeping with three ordrs which prevent him from leaving the country. These orders were issued against the political leader by different courts in Chile.

It has been reported that Jose Sanfuentes is facing one order for violating the Law on Internal State Security that was issued by the Santiago appellate court; one for offending the Armed Forces; and one for committing an outrage on the national flag. The two latter orders were filed by the 4th Military Prosecutor's office. [passage omitted]

### MAPU-Lautaro Involved in Terrorist Attack

*PY0310135289 Santiago Domestic Service in Spanish 1030 GMT 3 Oct 89*

[Text] Police sources have confirmed that the man who was detained after the terrorist action that claimed the life of Corporal Hector Pincheira is a militant of the extremist group MAPU [United Popular Action Movement]-Lautaro faction.

The man was captured last Friday [29 September] night, a few minutes after a Carabineros van was attacked by leftist extremists in the Santiago district of San Miguel. He was in the possession of a revolver and a full clip.

The extremist is being interrogated in order to get more information on the other criminals who participated in the terrorist action.

Most of the recent attacks on carabineros have been carried out by militants of the so-called MAPU-Lautaro movement.

### Police Arrest Demonstrators in Downtown Santiago

*PY0510014689 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Oct 89*

[Text] Ten people were arrested today during a demonstration at the corner of Alameda Avenue and Bulnes Street. The demonstration was staged to commemorate the murder of Jecar Neghme, MIR [Movement of the Revolutionary Left] spokesman, who was killed 1 month ago. This was reported by Hugo Carcamo, director of the Coordinating Board of Human Rights Organizations.

One month has elapsed since the MIR spokesmen was killed, on 4 September, on Bulnes Street, half a block away from Alameda Avenue. Neghme had 12 gunshot wounds in his body, 2 of which were in his head. This is why political, social, and human rights organizations held the demonstration today. The demonstration was violently repressed by Carabineros, who used tear gas to break up the protest.

According to Hugo Carcamo, about 10 people were arrested, including Estela Ortiz de Parada, a widow and a candidate for deputy for the Broad Party of the Socialist Left in Providencia, Nunoa District. Human rights leaders Jaime Cavada and Javier Carcamo were also arrested. Human rights leader Liliana Castillo was injured during the demonstration.

Speaking for the Coordinating Board of Human Rights Organizations, Hugo Carcamo said:

[Begin Carcamo recording, in progress]...this coordinating board will continue demanding truth and justice and rejecting impunity. We will continue our mobilizations and demands for the investigation of crimes committed in the past 16 years, especially the murder of leftist leader Jecar Neghme. [end recording]

Today's strike was led by Jecar Neghme's widow and by MIR spoksman Agueda Saenz.

### Military Truck Booby-trapped in Temuco

*PY0410132289 Santiago Domestic Service in Spanish 1030 GMT 4 Oct 89*

[Report by Mario Reyne from Temuco]

[Text] According to a report released by the Army, a military truck was booby-trapped by terrorists in northern Temuco. Only minor damage to the truck was reported.

The communique reads as follows:

Following a terrorist attack on a military truck in the Ninth Region, the Army Public Relations Department reports the following:

Yesterday, 2 October, at about 2115 a truck from the Tucapel Regiment, which was transporting a military patrol assigned to guard Army and ENTEL [National Telecommunications Enterprise] antennas in Mariposa Hill, north of the city of Temuco, was booby-trapped by terrorists.

The truck was slightly damaged, and no one was killed or injured.

The Army command has ordered the implementation of the pertinent measures in accordance with current rules and regulations.

project related to the establishment of a treatment plant (for national and importes waste, including radioactive material, according to Caro), for the recovery of metals. Officials of the company denied to LA SENGUNDA that they intend to import toxic waste. [passage omitted]

LA SEGUNDA asked Secretary Caro whether the rumors were true, and he answered that Pacific, on two occasions, had requested permission in writing to import toxic waste.

"They say they want to set up plants in the region, that they are going to treat waste obtained in Chile and, later, imported waste," he said.

[Question] What sort of material?

[Answer] Radioactive debris.

[Question] Have you been warned that a shipment is coming from Canada?

[Answer] We have heard nothing, but we are alert. The request for permission must be submitted to the intendant's office first; then we must study it. People may rest assured that we are not going to allow any vessel carrying toxic waste to arrive in Chile. [passage omitted]

## Colombia

### M-19 Accepts Disarmament, Political Party Status

*PA0410221389 Madrid EFE in Spanish 1910 GMT 4 Oct 89*

[Text] Bogota, 4 Oct (EFE)— The 19 April Movement (M-19), in a national conference held at the Santo Domingo camp, Cauca Department, southern Colombia, agreed today to lay down its weapons and to become a legally registered political party, a communique issued by the guerrilla group has stated.

Under the title "The Decision Has Been Made," the M-19 national conference, led by General Commander Carlos Pizarro Leon-Gomez, states that one of the conditions to comply with the decision, which was approved 227 votes to 3, is that the Virgilio Barco government must fulfill its share of the agreement signed last week.

The agreement says that in the next few days the government will send to congress a bill pardoning the guerrillas of the M-19 and other rebel organizations that may decide to follow the same road to peace. It also says that the government will guarantee to protect the lives and integrity of the guerrillas who return to civilian life.

The M-19 stated that another of the conditions to lay down its weapons is that the government and the leading political parties, the ruling Liberal Party and the opposition Social Conservative Party, ratify the agreement signed by the government. This document will become a political pact for life and democracy.

The pact, which has not been made public yet, includes some 50 proposals for economic, political, and social reforms, which must be approved in a national referendum and then be enacted into decrees, laws, and constitutional reforms.

Late last year the M-19 agreed to accept the "initiative for peace," which President Virgilio Barco proposed on 1 September 1988 to the rebel groups wishing to return to civilian life as legally registered political parties.

Following a period of "detente"—a unilateral truce that was in effect from October 1988 to March 1989—the M-19 and the government signed on 17 March 1989 an agreement to formalize the peace process.

According to this agreement, the M-19 received a 100-sq km of neutral territory in El Paramo de Santo Domingo so it could gather its forces.

Between May and July of this year, the M-19, the government, the political parties, and social groups met in the so-called "tables of analysis and negotiation" and they laid the groundwork for the agreements of the political pact that will soon be signed.

### Barco Vows To Continue Fight Against Drugs

*PA0410231489 Paris AFP in Spanish 2006 GMT 4 Oct 89*

[Text] Bogota, Oct 4 (AFP)—President Virgilio Barco's administration today confirmed its unshakeable determination to fight drug trafficking, while, on 3 October, the National Security Council reported that there are "symptoms of a collective neurosis" in Colombia.

The council, which consists of the president; the government (interior), justice, and defense ministers; and the police and state security chiefs, issued a communique in which it rejected terrorism as a mechanism to force negotiations with the drug traffickers.

It is evident that the drug traffickers are trying to saturate Colombia with deeds that in some way "provoke fatigue and intolerance," the document stresses.

"They want to make society react against the government and to demand different treatment, because the community is directly affected by selective [discriminado] terrorism," the council said.

"At this time of so much confusion, one can pereceive symptoms of a collective neurosis that has resulted from the selective terrorism that is being carried out against defenseless sectors," the National Security Council said, urging the community to maintain its good sense and not become resigned to the impositions of the drug traffickers.

It is not known who will be appointed to the Justice and Communications Ministries. There are also rumors that changes in two other ministries, of the 13 that make up Barco's Cabinet, will be made.

### Two Bombs Explode in Bogota 5 October

*PA0510075589 Paris AFP in Spanish 0729 GMT 5 Oct 89*

[Text] Bogota, 4 Oct (AFP)—The Bogota police reported that two medium-sized bombs exploded this evening in Bogota resulting in one person being slightly injured.

One of the bombs was hurled against a taxi stand in northern Bogota, slightly injuring the radio operator. The second bomb exploded across from a public school in southern Bogota.

According to information released by the police, the explosions caused considerable damage to both targets of these terrorist actions, which the authorities attribute to the war unleashed by the drug traffickers.

As a result of the indiscriminate wave of bomb attacks that this city of 5 million inhabitants has been experiencing, authorities have stepped up patrolling the streets and security measures at strategic points susceptible to attacks.

In light of the terrorist escalation, the Colombian Government yesterday asked the country not to "tire" and warned them that the "narcoterrorists" are trying to turn the people against the government so that they will demand different treatment for the drug traffickers.

### Army Raids Farms; Seizes Weapons, Vehicles

*PA0410222589 Bogota Inravision Television Cadena 2 in Spanish 0100 GMT 1 Oct 89*

[Text] The 13th Army Brigade reported to the media today that a large-scale operation has been launched in Pacho Municipality, Cundinamarca Department, resulting in the seizure of a large amount of weapons which had been hidden in underground caches. The 13th Brigade troops raided several residences in Campo Hermoso, El Palmar, and La Timana, and Pacho Municipality , Cundinamarca Department.

A large arsenal was found buried in those locations. The seized material includes assorted shotguns, grenades, 9 mm pistols, sophisticated communication equipment, hammocks, waterproof ponchos, Galil rifle ammunition clips, and all kinds of explosive devices and ammunition. Military sources said that, judging from the weapons' characteristics, most of them were not manufactured in Colombia but brought from abroad.

The authorities also confiscated 70 4-wheel drive vehicles—most of them armored and some of them outfitted with comfortable berths—and several Honda 350X all-terrain vehicles.

During the operation, the authorities also raided La Esperanza farm, owned by Alfonso Ramon Rodriguez Munoz, nephew of [Gonzalo Rodriguez Gacha, aka] El Mexicano, and discovered a 4-story high and 3-meter deep structure which was painted green and hidden among trees. It was used to store all kinds of weapons and as a hiding place. No one was arrested during the raids. The operations will continue throughout the country.

Meanwhile, the National Police's elite corps carried out an operation in the eastern zone of Boyaca Department. The authorities arrested four persons and seized uniforms exclusively used by the military corps, AR-15 rifles, shotguns, 9 mm pistols, sub-machineguns, revolvers, and assorted ammunition. The police corps also confiscated four 4-wheel drive vehicles—two of the vehicles had been smuggled into the country and one had been stolen—sophisticated communications equipment, including portable radios, repeaters, and long-range antennas; and 79 million pesos in cash and a check for 7 million pesos. Judging from the type of weapons seized by the authorities, it is presumed that they belonged to self-defense groups in Boyaca.

Further, the Narino police killed two men and arrested two more, and seized lots of material belonging to the National Police.

## Ecuador

### Cordovez Urges Reopening Panama Dialogue

*PA0410175589 Hamburg DPA in Spanish 1704 GMT 4 Oct 89*

[Text] Quito, 4 Oct (DPA)—Ecuadoran Foreign Minister Diego Cordovez, who presided over the OAS mediating commission in Panama, today proposed the "urgent" reopening of the tripartite dialogue as "the only possible means" of solving the Panamanian political crisis following the revolt and confrontations on Tuesday.

"It is absolutely necessary to return to the table of negotiations," stated Cordovez, who declared his willingness to return to Panama "as many times as necessary" to continue the mediation undertaken by the OAS.

Cordovez, who returned to Quito today after participating in the UN General Assembly sessions in New York, denied that the OAS mediating commission had failed and said that the mediation "was on the right track" when the deadline established by the meeting of foreign ministers of the continent expired.

The timeframe was "artifical, absurd, and established from abroad," Cordovez added. He said he is ready to travel to Panama "as soon as the presence of the OAS mediation commission is requested by the parties involved in the conflict."

In the tripartite dialogue among the government, military, and opposition sectors, the parties had agreed to install a provisional government which would be tasked with calling elections as a means of solving the political crisis

Larco Cox said that, according to reports he had heard from Panama, one of the rebels' first acts was "to oust General Noriega and all officers who had served in the NDF for more than 25 years."

He said he hoped no country would interfere "in the decision that must be made exclusively by the Panamanian people."

Larco Cox said he also hoped that "this solution" would lead to the reestablishment of democracy in Panama because the democratic system is the only one that guarantees the sovereignty of the people, as the basis of national sovereignty.

Early in September, Peru was the first country to refute the legitimacy of the new Panamanian Government, which is headed by Francisco Rodriguez. Peru then decided to indefinitely withdraw its ambassador from Panama, and to reduce diplomatic relations between the two countries to the level of charge d'affaires.

Peruvian President Alan Garcia said then that the Rodriguez administration was "a puppet government, chosen personally" by General Manuel Antonio Noriega, and that Rodriguez' appointment was "a political blunder."

Peru attributed the victory in the 7 May elections, which the Panamanian Government annulled, to the opposition.

### Garcia Swears In New Cabinet Members

[Editorial Report] Lima Television Peruana in Spanish, intercepted in progress at 1528 GMT on 3 October, carries a live report of the swearing-in ceremony of the new Cabinet members in Government House. An unidentified speaker is reading members in Government House. An unidentified speaker is reading a letter in which President Alan Garcia thanks outgoing Council of Ministers' President Luis Alberto Sanchez for his work and dedication. He then reads the text of Decree 276-89 PCN as follows:

"Lima, 3 October 1989. Whereas the post of president of the Council of Ministers is vacant, and in keeping with Article 216 of the Constitution, the Peruvian president hereby decrees the following:

Single Article—As of this date, Foreign Relations Minister Guillermo Larco Cox is hereby designated president of the Council of Ministers.

Signed, President Alan Garcia Perez, Guillermo Larco Cox."

President Garcia then summons Larco Cox and administers the oath of office to him.

In a similar manner, President Garcia installs Health Minister Paul Caro Gamarra, Labor and Social Promotion Minister Wilfredo Chau Villanueva, Transportation and Communications Minister Osvaldo Moran, Fisheries Minister Juan Rebaza Carpio, and Minister of the Presidency Rodolfo Bravo.

### Colombian Drug Trafficker's Extradition Requested

*PY0510030889 Lima Television Peruana in Spanish 0100 GMT 5 Oct 89*

[Excerpt] Peru has formally submitted to the appropriate authorities an extradition request for Colombian drug trafficker Evaristo Porras Ardila, General Felix Garcia Nunez has stated. Garcia Nunez is director of the Peruvian Police Illicit Drug Traffic Investigative Division [DINTID].

Gen Garcia Nunez added that the Colombian authorities will make the final decision on whether to extradite the Medellin Cartel's second in command. [passage omitted]

### Economy Minister Reports Arrival of IMF Group

*PY0310224289 Lima Television Peruana in Spanish 1800 GMT 3 Oct 89*

[Text] Economy and Finance Minister Cesar Vazquez Bazan today reported that an IMF mission will arrive in Lima in the next few days to meet with high-ranking government officials and learn about the changing Peruvian economic situation.

[Begin recording] [Vazquez] We are in the process of negotiating. Abel Salinas has traveled to Buenos Aires and Washington. Talks continue and there is a constructive atmosphere. I can assure you that Peru will not be expelled from the IMF. We can now talk with them based on the conditions we have imposed, because this is Peru, where economic policy is determined by Peruvians and not by foreigners. This means we want the economy to grow, salaries to maintain their purchasing power, and the employment rate to raise. Given these principles, we are ready to talk about any recommendation.

[Reporter] Given these principles in negotiating with the IMF, what is the most that Peru could pay to resume its ties with the IMF?

[Vasquez] This is part of a process in which the IMF must find resources to provide us the means with which to honor our debts. Furthermore, according to its own internal policies, the IMF should try to reach an agreement that will allow our access to short-term loans to finance exports.

However, there is a limitation here, which perhaps you have not evaluated. In order to help us, the IMF needs funds. Camdessus [IMF managing director] is therefore asking the international powers and contributors for $120 billion, but they have yet not agreed to this. This is exactly what we pointed out in the Washington meeting. Gentlemen, if there are no funds, if those countries that have a positive current account cannot provide funds to finance the deficit of the countries with a negative balance of payments, international trade will be blocked. That is why the IMF needs to increase its capital.

[Reporter] When will the IMF mission arrive?

### Police Report Car Bomb Explosion in Trujillo

*PY0510033489 Madrid EFE in Spanish 0156 GMT 5 Oct 89*

[Text] Trujillo, 4 Oct (EFE)—The police confirmed that a car bomb exploded tonight in Trujillo, 4 days before the presidents and economy ministers of the Group of Eight meet in Peru.

A small car loaded with dynamite exploded in front of the regional Education Ministry office, 660 metres from the Trujillo Plaza of Arms, near the hotel where 14 ministers from Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela will meet on 8 and 9 October.

The explosion caused property damage in the Education Ministry office and in the nearby Catholic Church of San Pedro Nolasco. Trujillo is 750 km north of Lima.

The attack took place a few minutes after a group of armed people, who said they belong to the Marxist guerrilla Tupac Amaru Revolutionary Movement (MRTA), had briefly detained the employees of the regional Education Ministry office. The guerrillas forced the employees to shout slogans supporting the armed struggle.

The MRTA today claimed responsibility for the kidnapping in Lima of Hector Delgado Parker, a top manager of the state television and radio network, and a former personal adviser to President Alan Garcia. Delgado's driver was killed and one of his bodyguards was wounded during the kidnapping.

This past weekend, the Maoist terrorist group Shining Path carried out several attacks in the region of Ica, 300 km south of Lima, where the Group of Eight presidents will meet on 11 and 12 October.

The Shining Path killed the wife of local university rector and attacked a police station in Palpa, 80 km south of Ica, where four policemen and two terrorists died.

According to a government source, by means of these attacks the two Peruvian terrorist organizations intend to "mark their presence" before the upcoming meetings of the Latin American presidents and ministers.

### Second Huamachuco Mayor in 2 Months Murdered

*PY0310124689 Lima Television Peruana in Spanish 1100 GMT 3 Oct 89*

[Text] Reports datelined Huamachuco say that the mayor of this northern city, Guillermo Espinoza Luna, has been killed. Espinoza Luna's predecessor was also killed, barely 2 months ago.

## Uruguay

### Foreign Minister Addresses UN General Assembly

*PY0410170489 Montevideo Radio Sodre in Spanish 1500 GMT 4 Oct 89*

[Excerpts] Speaking to the 44th UN General Assembly, Uruguayan Foreign Minister Dr Luis Barrios Tassano said that the continued development and growth of the Latin American nations requires a pragmatic adjustment of the foreign debt problem, otherwise it will be very difficult for them to keep their faith in democracy, as well as in the world's stability and peace.

Dr Luis Barrios Tassano pointed out, nevertheless, that it is stimulating to appreciate today that the creditor nations have accepted the principle of shared responsibility, the fact that this is not merely a financial problem. [passage omitted]

Discussing the problem of environment, the Uruguayan foreign minister indicated that Uruguay is aware of the urgent need to protect the environment. Uruguay, he said, is also aware of the fact that this task, which requires the participation and effort of the entire international community, must be implemented in a compatible way with the national sovereignty of the individual states.

In order to cope with the problem of environment, the international community will have to resort to the basic mechanisms of cooperation among nations.

Addressing the issues of terrorism and drug trafficking, Dr Barrios Tassano explained that occasionally these issues become interconnected.

Uruguay will fully contribute to the effort of establishing new legal means, and will strengthen the existing ones that are aimed at wiping this scourge from the face of the earth.

Regarding drug trafficking, the Uruguayan foreign minister said that it is stimulating to see that the governments of the consumer countries and the producer countries have assumed the risks involved in an all-out war.

Barrios Tassano concluded by discussing the current political atmosphere. He said that he believes that this is the best of the past four decades because dogmatism and [words indistinct] political callousness seem to be losing ground to realism and common sense.

As an example for our region, the Uruguayan foreign minister mentioned the new stimulus achieved in the Central America peace process following the summit held in [word indistinct].

These were some of the remarks by the Uruguayan foreign minister, Dr Luis Barrios Tassano, within the framework of the 44th UN General Assembly.